

THE MATTHEW PROJECT
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

THE MATTHEW PROJECT
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Trustees	Paul Hoey, Chair Stephen Lock, Vice Chair Neil Lawrence, Treasurer (appointed 20 January 2020) Andrew Warren Richard Capper Gregory Gibson Margaret Wade Lorinea Lain-Rogers Alison Lamont Keith James (appointed 20 January 2020) Jacqueline Higham (appointed 20 January 2020)
Company registered number	6388343
Charity registered number	1122801
Registered office	70-80 Oak Street Norwich Norfolk NR3 3AQ
Company secretary	Andy Sexton
Chief executive officer	Andy Sexton
Independent auditors	Larking Gowen LLP Chartered Accountants King Street House 15 Upper King Street Norwich NR3 1RB
Bankers	Lloyds Bank Plc Norwich NR2 1LZ
Solicitors	Birketts LLP Kingfisher House Gilders Way Norwich NR3 1UB

THE MATTHEW PROJECT
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the audited financial statements of the company for the year 1 April 2019 to 31 March 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Purposes and aims

For 36 years, the Matthew Project has been supporting children and adults affected by substance misuse across Norfolk and Suffolk. Over this time, we have built up a reputation for delivering high quality, effective services, focusing on both prevention and treatment.

Our charity's primary purpose, as set out in our memorandum of association, is to benefit young people and adults in the East of England and elsewhere by advancing education; providing counselling, advice, information, support, and other assistance for those in need; and improving our beneficiaries' emotional, mental, and spiritual wellbeing.

Achievements and performance

a. Main achievements of the company

Over the past year, The Matthew Project has continued to make a big difference to the lives of young people and adults across the region. We have directly supported over 1400 people through a range of services, offering information and advice, counselling, one-to-one support, life coaching, and a wide range of additional provision.

We work alongside our beneficiaries to prevent or reduce substance misuse, build confidence and self-esteem, and help them to reintegrate back into everyday life, including, in many cases, supporting them with education and employment. By doing this we benefit not only our service users, but society as a whole. Our beneficiaries achieve improved physical and mental health, better relationships with others, and overall better quality of life, along with access to more opportunities. Society benefits from a reduction in criminal activity, a reduced burden on health services, better relationships, and improvements in employment rates for those who would otherwise likely be jobless.

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FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

Our achievements over the past year have also helped us in working towards our long-term goals, which include:

- Being a trusted provider of substance misuse services across East Anglia, developing an end-to-end recovery programme, and providing excellent care and service for our beneficiaries.
- Widening our sources of funding in order to sustain and continue to develop our charitable services.
- To continue developing our team with training and volunteer development opportunities.

2019/20 has also been a significant year of change. In October 2019, we officially opened our new Next Steps Recovery Centre, a £1m+ facility, based in Norwich, to support three key vulnerable groups:

- Adults in recovery from addiction
- Children affected by a parent or carer's substance misuse
- Veterans affected by substance misuse and/or PTSD.

This year our report is being written at a time of pandemic as Covid-19 impacts on our service users and the challenge of maintaining accessible service delivery. Our Covid-19 response planning began early 2020 and prior to the lockdown. Trustees and staff have maintained 'Business as Usual' albeit in different ways, most notably online, telephone and socially-distanced visits.

It is also necessary to pay tribute to service users in recovery who have demonstrated resilience and commitment to sustaining their recovery. Also to staff who have been furloughed and have since returned to work and staff who have demonstrated enormous creativity in their approach to supporting service users.

b. Covid-19 update

The Covid-19 pandemic has affected the Matthew Project and its beneficiaries in the following ways:

Service delivery

The Matthew Project has continued to support its beneficiaries throughout the pandemic, albeit in adapted ways to ensure the safety of staff and clients. These include:

- **Remote support:** via telephone calls, video calls, and text messaging.
- **Welfare checks:** face-to-face welfare checks are still carried out when necessary while adhering to social distancing guidelines.
- **Care packages:** delivering welfare packages (including food and wellbeing items) to beneficiaries across Norfolk and Suffolk.
- **Online support:** through videos (e.g. cooking tutorials), social media groups, and online quizzes and activities.

Income

Several expected income streams have been affected by Covid-19, including the following:

- **Grant funding:** several grant funding streams have been deferred or cancelled due to Covid-19, resulting in a reduction in potential grant income for the charity.
- **Face-to-face fundraising events:** these are unlikely to be possible/popular until 2021.
- **Corporate sponsorship:** many medium-sized local companies (our key corporate supporters last year) have been greatly affected by Covid-19.
- **Profit from traded services:** most planned traded services rely on face-to-face and are unlikely to be

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Achievements and performance (continued)

feasible in 2020.

- **Staff and member-led fundraising:** this generally involves face-to-face events and activities, and therefore this target is reduced.

In order to counteract the effects of Covid-19, the Matthew Project has carried out the following:

- Temporarily furloughed 10% of staff (client-facing and administrative roles)
- Secured additional grants from Covid-19-related funds. These help to meet increased need for services and reduce the need to cut support.
- Recruited a community fundraiser, responsible for increasing the charity's unrestricted income through online events, individual donors, legacies, and corporate donations.
- Establishing new unrestricted fundraising initiatives adapted for Covid-19 (including our '21 day lockdown challenge', and a recent online quiz, raising over £5,000 in unrestricted funds).
- Formed a new development committee with experienced fundraisers.
- Been proactive with new bids, working on applications in advance of programmes re-opening.
- Another consequence of the lockdown has been a reduction in travel expenditure (which makes up a large part of expenditure, due to most services being outreach and covering large rural areas). This means that some grant terms have been able to be extended.

c. Our services

The Matthew Project provides a wide range of different services, supporting vulnerable groups across the East of England.

Our key programmes include:

Unity

Unity provides vital support for children and young people across Norfolk. Funded by Norfolk County Council's Public Health Department, the service supports under-19s experiencing substance misuse issues, as well as those affected by somebody else's substance misuse (such as a parent, a guardian, or another close family member – referred to as affected others).

Unity's work sees a considerable number of beneficiaries, and in the past year we provided one-to-one support to 279 vulnerable young people, made up primarily of those misusing substances and affected others.

Our one-to-one support service includes advice, counselling, and treatment for young people experiencing substance misuse issues. In addition, we provide harm reduction support (including blood-borne virus testing and vaccinations), community prescribing, and access to residential treatment and support for parents and young carers. We have also recently launched a new affected others positive activities programme, funded by BBC Children in Need, which provides additional support for affected others in the Norwich area.

The most significant achievements in 2019/20 were as follows:

- The granting of an extension to Unity's contract until April 2022
- Completion of the Unity restructure
- Agreement from Norfolk County Council Children's Services to second a Social Worker to the team
- The broadening of referral sources
- The impressive way the team adapted to deliver the service to a consistently high standard during the COVID-19 lockdown.

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Achievements and performance (continued)

Statistics for 2019/20 include the following:

- There have been a total of 11,452 successful contacts made with clients during this period which includes face to face sessions, letters sent, telephone messages left and post treatment reviews.
- Staff have attended 479 multi-agency meetings or professional consultations.
- 128 contacts were to provide advice, guidance and support to parents.

Recent feedback:

- *"I am extremely grateful for how much you have helped me to get off drugs and I feel so much better within myself. I have so much more confidence, my immune system is so much better too."*
- *"Zee helped me in lots of ways. She taught me to love my body when struggling with my body image. Zee gave me steps on how to stop my anxiety attacks or if I felt like I was going to have one, Zee gave me many activities to do, to take my mind off the problems that made me anxious or nervous. Zee was very easy to talk to when I didn't feel like talking. Every session felt like taking weight off my shoulders. I am now much happier than I was."*

The Youth and Families Team

The Matthew Project's Youth and Families Team pilot innovative new projects and services, and supports young people across Norfolk. The team received funding through Norfolk Community Foundation (from the Shelroy Charitable Trust Fund), Anguish's Educational Foundation, Youth Advisory Boards, Community Action Norfolk, and income generated through educational work in schools.

Over the past year, the Youth and Families Team have provided a range of services to vulnerable young people, primarily:

- **Universal education and one-to-one coaching**

Educating young people on drugs and alcohol creates resilience so that they can make informed, safe decisions. We have worked over the last year with schools throughout Norfolk to deliver one off sessions tailored to the needs of the school.

Since September 2019, we have had 20 requests from schools, colleges, and other young people's organisations for drug and alcohol education, training and support. We have reached 310 students through teaching sessions, and one-to-one sessions have been given to 20 young people by our lead education worker.

Much of our planned educational work has been affected by COVID-19. In response to this, we have created online education resources and sessions. So far, this has been developed for crucial crew (a partnership of frontline services educating young people in safety) and also for the safer school's partnership (delivering information to young people for their drugs and alcohol information week).

- **West Norfolk wellbeing support**

In West Norfolk we are working with the Youth Advisory Board (YAB), delivering one-to-one work in mental health and wellbeing. We have partnered with schools, as well as services such as Early Help, to support young people. The programme has worked particularly well and created a holistic package of help for young people.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

22 young people have been supported this year so far with a range of wellbeing issues around anxiety, body image, self-esteem, self-harm and bereavement. In many cases we have been able to offer further support through our other services, such as Unity (both for affected others and those with substance misuse issues), and On Track (where young people have needed further coaching to get back to education or employment). We have also worked to get further counselling and wellbeing support from NHS mental health services.

- **Social prescribing in West Norfolk and Breckland**

Social prescribing is a means of enabling GPs, nurses and other primary care professionals to refer people to a range of local, non-clinical services. Over the past year, the Matthew Project has supported 184 vulnerable people through this project.

Recognising that people's health is determined by a range of social, economic and environmental factors, social prescribing seeks to address people's needs in a holistic way. It also aims to support individuals to take greater control of their own health. Managed by Community Action Norfolk, we work alongside Mind, Age UK, Family Action, West Norfolk Carers and Homegroup.

Recent feedback

- *"If it hadn't been for the help that you have been able to give B, we would never have been able to get him the ongoing support and help he has now. I can't thank you enough".*
- *"I would never have been able to cope with social isolation if I hadn't had the weeks of support I had before this happened"*

On Track

On Track is an employability service (at the prevention end of substance misuse) aimed at enabling disengaged young people across Norfolk into education, training, and employment. The project gives these young people the skills they need for employment, as well as the self-confidence and belief that they can achieve their goals.

On Track is funded by the National Lottery through the Community Fund and the European Social Fund as part of the 2014-2020 European Structural and Investment Funds Growth Programme in England. The service brings together five organisations in a unique partnership led by The Matthew Project, and working alongside GYROS, NANSA, YMCA Norfolk, and the Prince's Trust.

In the last year, we have supported 224 young people in Norfolk, of whom 120 moved into employment, education and training. Nearly all young people who leave On Track report feeling more able to access the support they need to progress towards their goals, and the majority report improved level of self-esteem and self-confidence.

This year saw the first phase of funding for On Track come to an end. The service was successful in securing an additional £1,260,000 for another 30 months of delivery.

Recent feedback

- *"It's surprising how much I've changed since I have been with On Track. I've been mixing with others and don't just stick by myself now, it's great."*

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

- *"The service was good and helpful. They helped to focus my job search and highlighted options available to me at the time. Regular appointments were good and I liked the one to one meetings. I felt my individual issues were understood."*
- *"I was pleased that despite having to move out of the county for a while On Track kept me on their books and they were still there for me to access their support. I appreciated On Track's patience and support through a time where I had to deal with family problems, the threat of homelessness and mental health issues."*
- *"I feel the best thing about On Track was how much time and effort (the coach) put into me getting a job and for me feeling comfortable and like I could go somewhere in my career."*

The Next Steps recovery centre

Funded by Public Health England and Norfolk County Council Public Health, the Next Steps recovery centre, based in central Norwich, is Norfolk's first ever community recovery hub. The new £1m+ centre officially opened in October 2019 following a year's worth of building and refurbishment work.

Next Steps provides a safe space for those in recovery from addiction to learn new skills, build new friendships, and maintain their recovery. The centre also provides additional support for affected others, veterans, and NEET young people. Next Steps has quickly become a valuable community asset, offering a wide range of facilities, including:

- A training kitchen
- A café and barista bar
- A well-equipped workshop for woodwork, metalwork, and repairs
- An art studio
- An IT suite
- Counselling rooms
- A range of group and breakaway spaces
- A laundry and shower area
- Two accompanying allotments

The core of Next Steps is the Recovery Support Programme (RSP), a six-week programme of therapeutic and skills support based at the centre. In 2019/20, the RSP achieved the following outcomes:

- 65 people in recovery were supported
- 45 (69%) successfully graduated from the programme
- 44 (98%) of those graduating remained in recovery
- There was an overall 58% improvement in recovery capital (this is calculated by monitoring improvements in areas including mental health, accommodation, finances, relationships, and use of time, among others)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

Next Steps is also the base for the recently-launched EmployAbility programme, which works with adults in recovery from addiction, providing them with skills and helping them to get back into work. The programme is funded by the European Social Fund (through LIFT Community Grants) and New Anglia LEP (through Norfolk Community Foundation).

Recent feedback:

- *"I have absolutely no idea where I would be without the Matthew Project. Everyone there has helped provide me the tools, patience, kindness, respect and time to create a new, functional and genuine life. I would have more than likely spiralled back into depression, relapsed and possibly died due to it without the help of TMP. I owe my very life to the people at the Matthew Project who helped me, and I am eternally grateful. It's that simple."*
- *"The Mathew Project is fundamental when it comes to addicts like myself. I've used and drank alcohol all my life...the only clean time I had was when it was forced upon me and I was put in prison. I always saw the world through a haze which seemed convenient at the time because it meant that I didn't have to look to closely at myself, or my past. A kind of half-life never really being fully aware and in total avoidance. Consequentially I remained seriously anti-social and because of fear in my life I was aggressive...in fight mode because I do not run! The Mathew Project are the only people I know that actually care without having an agenda. They help me to socialise with others whilst, and above all, they are teaching me to be a decent human being. They provide a forum for me to learn what's acceptable behaviour whilst also looking at ourselves in a totally positive and honest way - looking at my past and using knowledge and guidance so that I can understand that the past does not define me and that there is hope and that my future is yet to be written."*
- *"I'm really grateful to the Matthew Project, it has changed my life. When I first arrived for the Next Steps programme I was extremely unwell. I'd spent 15 years in addiction with enduring mental health problems. I felt there was no hope for me, I believed I was bad, I hated myself, I hated my life, I could see no future. The Next Steps Programme was a breath of fresh air. The staff and volunteers have been so positive, encouraging and helpful. I have really enjoyed all the various workshops that have been carefully thought out, they have inspired me and aided my recovery. I've enjoyed meeting new people and making friends and feel grateful to be a part of the community. My confidence has grown and the programme has given me a hope for my future. Having completed the programme twice I am now volunteering in the groups. I cannot thank the Matthew Project enough, it's a programme that changes lives."*

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

Outside the Wire

Since its launch in 2013, Outside the Wire has helped hundreds of veterans, current serving personnel, and close family members across Norfolk, Suffolk, and Essex. Outside the Wire is run by veterans, helping to create more effective, tailored support for those affected by drug/alcohol misuse and/or PTSD.

Outside the Wire takes a holistic approach, also focusing on additional issues including homelessness, financial problems, employment, court appearances, and family relationships. Outside the Wire is made up of a team of seven staff, working across Norfolk, and Suffolk, and Essex. Our core services are:

- **One-to-one outreach**

Last year Outside the Wire worked with 104 clients through one-to-one support either at the client's home or in the community. These meetings are recorded on the data management system, Dynamics, and the client's wellbeing is registered on an Outcome Star. This information is used to monitor the client's situation and also useful for reinforcing funding applications. Professional counselling was provided to 13 clients. The team has more recently been invited onto an operational military establishment to promote the awareness of substance misuse and PTSD to serving military personnel. 175 serving military personnel at RAF Marham were educated. One-to-one support in 2019/20 is funded by the Royal British Legion, the Veterans' Foundation, the Royal Navy and Royal Marines Charity, the RAF Benevolent Fund, the Leigh Trust, and the Armed Forces Covenant Fund Trust.

- **Affected others worker**

Funded by the ABF The Soldiers' Charity, the Affected Others worker is responsible for the wellbeing of veterans and serving military personnel's families. This consists of one-to-one support for the partners/spouses and encouraging effective family integration and relationships. 34 affected others were supported last year.

- **Prison Practitioner**

Primarily funded by the Suffolk Police and Crime Commissioner, the prison practitioner is responsible for attending forums organised by the various HMP establishments in the areas of Norfolk & Suffolk. The aim of these forums is to provide advice for veterans in custody, and to signpost them to any relevant agency upon their release. Before lockdown there were 5 forums in different prisons with an average attendance of 8.

- **Support Groups**

Several veteran support groups have been established in Norfolk and Suffolk. These groups are either held in the evenings or in the form of breakfast clubs. We had 31 veteran's attend groups. The aim of the groups is for veterans and serving personnel to meet up with like-minded people, establish their own support network and take part in organised activities designed to improve their social integration.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

Recent feedback:

- *“Justin has been a source of constant support and reason. I only started our sessions after lockdown and during this time, things had become significantly worse due to job stress and worsening domestic problems. He provides support above and beyond what I would hope for. He is also a balanced and thoughtful sounding board. I have honestly been pulled back from desperation a number of times by Justin and his sensible and empathetic approach”*
- *“I would like to say OTW has been a blessing before Covid-19 and during and I believe they will be as great if not better after the lock down. My Outside the Wire worker contacts me regularly to check whether I am ok or if I am having problems. Thankfully I am good at the moment. If I, we didn't have OTW I'm not sure how things would be going at the moment for Veterans. So God bless you all for being there for a small cog such as me”*
- *“At this moment in time, I remain free of alcohol and take each day one at a time. I do not think that I would be able to continue to do so without the support from Outside the Wire”*

d. Staff and volunteers

Volunteers

The volunteer programme continues to grow. We have volunteers in every team and retention is good. We are attracting really good quality volunteers from diverse backgrounds. Currently we have 29 active volunteers (excluding trustees and peer mentors) and a further 51 in the process of signing up. Our enquiry to active rate is around 50% which is good for all charities. Our main issue is that we have many more enquiries than opportunities.

We have seen a definite move in culture with regard to the inclusion of volunteers. During this year we have placed volunteers within every service for the first time. The diversity of our volunteers is exceptional across ages, gender, background, with perhaps BAME being less representative but in line with other charities across Norwich.

Some roles have been in place for a number of years now, including Befriending and we have one Befriender who has been with us for over 2 years. We have had Befrienders in every Unity geographic team. There have been many new roles created, including many with Next Steps. Positive Activities have a number of quickly established volunteers and EmployAbility were recruiting well before the Covid-19 measures.

Staff Wellbeing Group

The Staff Wellbeing Group aims to create a positive working environment for all staff, and to consider ways in which we can embed staff wellbeing into all areas of the organisation.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

The group is made up of Staff Wellbeing Champions, as well as new members from previously underrepresented services. The Staff Wellbeing Group has achieved the following:

- Introduced a staff wellbeing calendar, with various wellbeing events taken part in throughout the year, including Time to Talk Day, 40 Acts of Kindness, and Mental Health Awareness Week. This includes promotion of these national events through emails and on social media.
- Signed up to the Active Workplaces Business Games, an annual event attended by Norfolk based businesses and organisations. The event is a fun, competitive day of sport, and provides an opportunity for team-building and for networking with other businesses.
- Promoted the employee assistance programme (which includes support for mental wellbeing) by emailing around the regular newsletters and highlighting this more at induction.
- Re-established links with Thriving Workplaces (a Norfolk-based free healthy workplace provider) and discussed networking, training, and ongoing support on offer.
- Exploring mental health and wellbeing training for staff, including opportunities for staff to become mental health first aiders.
- Re-introduced the staff wellbeing fund, a small financial contribution to a team wellbeing activity. Different teams took part in a variety of activities including brunch and a cryptic room, or a walk and dinner.
- Encouraging teams to take part in non-work related catch ups during COVID-19 as the organisation was aware that staff are missing seeing their colleagues.

One of the members of the Staff Wellbeing Group said the following: "It's really important for staff to be able to talk about their own and others' wellbeing in the work environment, especially since the COVID-19 pandemic, with all staff remote working. The staff wellbeing group is a useful way to share ideas of how we can support each other and are teams, help resolve queries and work towards improving the wellbeing support the organisation offers."

Financial review

a. Financial review

The financial statements are set out on pages 21 to 34.

Income for the year was £2,222,531 (2019 - £2,080,225) and of this £1,799,860 (2019 - £1,888,289) came from grants and contract income.

Resources expended for the year amounted to £1,932,721 (2019 - £2,042,745). The work of the Charity consists mainly of providing advice and support, and this is reflected in staff costs which form approximately 61% of total gross expenditure.

Net movement in funds for the year was a surplus of £289,810 (2019 – £37,480).

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TRUSTEES' REPORT (CONTINUED)
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Financial review (continued)

b. Reserves policy

Note 16 shows the movement in all the charity's funds in the year. An explanation of the nature and purpose of restricted funds is also given.

• **Restricted Funds**

The balance of funds at 1 April 2019 was £772,026. Incoming resources for the year totalled £2,128,732 (2019 - £1,917,904) which included £1,424,686 (2019- £1,477,625) towards working with Young Persons and £704,046 (2019 - £440,279) towards Adult Services.

Resources expended totalled £1,831,025 (2019 - £1,882,251). The balance was £1,069,733 on restricted funds at 31 March 2020.

• **Unrestricted Funds**

The opening balance on the general fund at the beginning of the year was £766,085. Incoming resources totalled £93,799 (2019 - £162,321) and resources expended totalled £101,696 (2019 - £154,495) giving a deficit of £7,897 (2019 – surplus of £7,826) for the year. The balance was £758,188 at 31 March 2020.

The Trustees review the reserves policy on an ongoing basis at bi-monthly finance committee meetings. In determining the level of unrestricted reserves required, the Trustees have taken into account:

- Working capital requirements: as payments under several major contracts are now made in arrears there is a need to maintain sufficient working capital to finance the on-going expenditure and also build up working capital in anticipation of winning additional major contracts.
- Expenditure which might arise if a major contract is lost: this would mainly relate to the levels of central overheads that could be recovered (with the potential requirement to reorganise parts of The Matthew Project) and the costs of vacating premises that would no longer be required.
- Expenditure required to continue to support a service where the funding has reduced and further funding is being sought.
- Investment in consultancy to support bids for new services
- Investment in buildings and IT.
- Investment in professional development.
- Future maintenance costs of buildings and equipment.
- Other potential risks as identified in the Risk Register.
- The need for a contingency to cover unforeseen events.

The target for unrestricted reserves is £593,055 and this compares with unrestricted reserves at 31 March 2020 which amounted to £758,188. Excluding £68,079 of fixed assets within unrestricted funds, reserves therefore amounted to £690,108.

The Trustees are satisfied that the Charity will have adequate funds available to fulfil its obligations for the year ended 31 March 2021.

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TRUSTEES' REPORT (CONTINUED)
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Financial review (continued)

c. Material investments policy

The Trustees have considered the most appropriate policy for investing funds. They have concluded that holding monies in bank treasury deposit and COIF deposit accounts meets the requirements to generate income whilst minimising risk and maintaining liquidity. Investment returns were low as a result of the low Bank of England Base Rate which has remained at 0.4% throughout the year. Given the nature of this investment the Trustees consider the return to be satisfactory but will continue to closely monitor the situation.

d. Fundraising

Under Section 13 of the Charities (Protection and Social Investment) Act 2016, charities that are subject to audit must make specific statements in their annual reports that provide information about their fundraising standards. Accordingly, the Trustees make the following statements in compliance with the requirements of the Act:

- i. All fundraising activities have been undertaken by the employees of the Charity or by supporters who have chosen The Matthew Project as their nominated charity for fundraising purposes. The Charity has not used a professional fundraiser or commercial participator during the year ended 31 March 2020.
- ii. The Charity is not currently a member of the Fundraising Standards Board. However, the Charity complies with the Code of Fundraising Practice.
- iii. In the past year there have been no instances where the Charity has failed to comply with the requirements and a complaint made.
- iv. The Charity continually reviews and monitors activities involving fundraising carried out by internal staff.
- v. There have been no complaints received by the Charity or any person acting on its behalf about activities by the Charity or by a person on behalf of the Charity for the purpose of fundraising.
- vi. The Charity has protected vulnerable people and other members of the public from behaviour constituting:
 - a) Unreasonable intrusion on a person's privacy
 - b) Unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the Charity, or
 - c) Placing undue pressure on a person to give money or other property, in the course of, or in connection with, such activities by avoiding the use of any fundraising practices that may be considered to give effect to such behaviours.

The Charity actively promotes and markets its fundraising events and activities; however, it is entirely a voluntary matter for individuals, groups or businesses to decide whether they wish to participate in events or make donations.

e. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management

a. Constitution

The charity was incorporated as a company limited by guarantee on 2 October 2007, and on 1 April 2008 took over the assets, liabilities, and undertakings of The Matthew Project (an unincorporated charity established by a trust deed dated 9 March 1982).

The charity's Trustees, who are members of the board of directors, are detailed on page 3.

b. Methods of appointment or election of Trustees

Trustees are elected at the annual general meeting for a term of three years. They are recruited from various professions and backgrounds to contribute to the effective governance of the charity. Trustees are recruited through a variety of means including advertising through websites, responding to interest, and approaching relevant professional and voluntary organisations. Each Trustee receives a Trustee Handbook, a role description, and a thorough induction package which involved meeting members of staff and observing the work of the charity. Trustees attend regular training and update sessions concerning governance facilitated by local providers. The Matthew Project is grateful to the Trustees for their hard work and commitment.

In the past year Trustees have taken responsibility for specific governance areas based on their particular skills and expertise, including:

- Ethos
- Performance
- Compliance and legal
- Volunteers
- Safeguarding
- Training
- ICT

Action continues to be taken to recruit Trustees with specialist knowledge and experience of substance misuse and social work; and governance of charitable organisations. Therefore, we were pleased to recruit 3 new Trustees in January, 2020 who brought experience in finance, fundraising and professional development to the Board.

The Trustees have also taken action to raise their profile and understanding of the work of the Matthew Project by attending a range of events and visiting teams in their various workplaces around the county.

c. Governance and management

The Trustees are responsible for the overall governance of the charity and its strategic direction and development with the Chief Executive Officer and the senior management team. Aspects of this, including the day-to-day management and development of the charity, are delegated to the CEO and the management team. Trustees have areas of responsibility and a working group method has been adopted to address key tasks and areas of work, which also involves relevant staff members. Regular reports are produced for the Trustees every two months.

THE MATTHEW PROJECT
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

d. Pay policy for senior staff

The remuneration for senior staff is determined by the Board of Trustees. Remuneration is subject to periodic market reviews and independent evidence and advice is obtained to inform the decision-making process, before any changes are made. Any proposed changes will be recommended to the Board of Trustees for consideration and approval.

In addition, the remuneration for senior staff will be subject to annual review as part of the organisation's evaluation of pay inflation and consequential recommendations to the Board of Trustees to make a pay award, if any.

The Trustees received no remuneration for their time during the year.

e. Risk assessment

The Trustees have, during the year, continued to review the major risks to which the charity is exposed and to establish systems to mitigate those risks identified not already covered by the charity's existing systems and risk management strategies and controls. This is designed to minimise any potential impact to the Charity and its beneficiaries, should these risks materialise. All potential new services are assessed through a risk management process. This includes a periodical review of the risk register and organisational governance. The register covers health and safety, governance, safeguarding, and financial risk.

f. Public benefit

Under the Charities Act, the Trustees are required to report on the extent to which The Matthew Project has provided public benefit during the year. The Charity Commission guidance recommends that this should be reported by means of: a review of significant activities; details of aims and objectives; strategies adopted and activities undertaken to achieve aims and objectives; and achievements by reference to aims and objectives.

We report on the above four areas in detail in the sections headed 'our aims and objectives' and 'achievements and performance'. The Trustees consider that the operations of The Matthew Project during the year were in accordance with general charitable principles and the charitable purposes set out in the Memorandum and Articles of Association and were wholly for the benefit of the public.

g. Trustees' indemnities

The charity has purchased professional indemnity insurance on behalf of the Trustees.

Future developments

The organisation is confident we are resilient enough to withstand the known effects of the pandemic. Our Board and staff are committed, we have a strategic plan, risk management process and financial information that is under constant review; and most importantly our cause and work are more important than ever.

We have and will continue to respond creatively to the challenges and the opportunities that arise out of the pandemic, which has seen an increase in: alcohol misuse and the use of nitrous oxide, mental health issues and domestic violence. As a result, the numbers of children impacted by the substance misuse of others has grown.

THE MATTHEW PROJECT
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Future developments (continued)

The Board and Staff have agreed that the fundamentals of our strategic plan are not changing. We will continue to focus on working together with people to overcome their barriers to thriving, including substance misuse. This will involve an increased focus on prevention, continuing excellence in treatment and recovery, and growing our 'new future' programmes. We will continue to encourage the engagement of clients in peer support, and welcome committed and skilled volunteers. Our foci will remain: high quality practice, staff well-being, sustainability and development, with these five overarching objectives:

1. Our practice is externally recognised as high-quality and class-leading
2. To be a great place to work
3. To secure and develop existing services
4. To increase our impact through research, innovation, promotion and fundraising
5. To create businesses which increase unrestricted income and offer employment for TMP people

However, the tactics to achieve these objectives have changed or been adapted, and new thinking will be required.

We expect that some of our working practices will follow the new pattern set since March. We are planning for more flexible working with a mix of at home, office and outreach work being the new norm for client-facing staff. And office staff having greater flexibility as well. We have been meeting with each staff member to plan their return to office working.

We also expect to maximise the learnings from working remotely and to keep what has been effective during this unprecedented time, as part of our work practice. This will involve supplementing appropriate face-to-face working with phone calls and social media/online individual and group support.

Our education offer will adapt and broaden, and our expertise and core strengths will be maximised, not only for the benefit of our clients but for others who are supporting our clients in different ways.

We plan to continue to diversify our income through an increased focus on community fundraising and traded income that complements a more strategic approach and even more effective process for Trusts and Foundations fundraising and tendering. We will continue to pursue funding that arises because of COVID-19 to support our target groups, as well as creating innovative new programmes that attract funding.

There is no doubt this will be a challenging few years ahead, but the Matthew Project is doing all we can to continue our local, caring and professional support to some of the most vulnerable people across East Anglia.

THE MATTHEW PROJECT
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Paul Hoey
(Chairman)

Date: 20 October 2020



Neil Lawrence
(Trustee)

20 October 2020

THE MATTHEW PROJECT
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MATTHEW PROJECT

Opinion

We have audited the financial statements of The Matthew Project (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE MATTHEW PROJECT
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MATTHEW PROJECT (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

THE MATTHEW PROJECT
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MATTHEW PROJECT (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Larking Gower

Giles Kerkham FCA (Senior statutory auditor)

for and on behalf of
Larking Gower LLP
Chartered Accountants
Statutory Auditors
King Street House
15 Upper King Street
Norwich
NR3 1RB

Date: 16 December 2020

THE MATTHEW PROJECT
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	80,546	333,504	414,050	185,242
Charitable activities	5	4,632	1,795,228	1,799,860	1,888,289
Other trading activities	6	6,206	-	6,206	5,630
Investments	7	2,415	-	2,415	1,064
Total income		93,799	2,128,732	2,222,531	2,080,225
Expenditure on:					
Raising funds	8	2,080	1,307	3,387	3,423
Charitable activities		99,616	1,829,718	1,929,334	2,039,322
Total expenditure		101,696	1,831,025	1,932,721	2,042,745
Net movement in funds		(7,897)	297,707	289,810	37,480
Reconciliation of funds:					
Total funds brought forward		766,085	772,026	1,538,111	1,500,631
Net movement in funds		(7,897)	297,707	289,810	37,480
Total funds carried forward		758,188	1,069,733	1,827,921	1,538,111

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 43 form part of these financial statements.

THE MATTHEW PROJECT
(A company limited by guarantee)
REGISTERED NUMBER: 6388343

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,012,661	617,529
Investments	14	1	1
		<u>1,012,662</u>	<u>617,530</u>
Current assets			
Debtors	15	143,318	122,463
Cash at bank and in hand		957,790	1,270,507
		<u>1,101,108</u>	<u>1,392,970</u>
Creditors: amounts falling due within one year	16	(285,849)	(472,389)
Net current assets		<u>815,259</u>	<u>920,581</u>
Total net assets		<u><u>1,827,921</u></u>	<u><u>1,538,111</u></u>
Charity funds			
Restricted funds	17	1,069,733	772,026
Unrestricted funds	17	758,188	766,085
Total funds		<u><u>1,827,921</u></u>	<u><u>1,538,111</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



.....
Paul Hoey
 (Chairman)
 Date: 20 October 2020



.....
Neil Lawrence
 (Trustee)

The notes on pages 24 to 43 form part of these financial statements.

THE MATTHEW PROJECT
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	124,994	608,950
Cash flows from investing activities		
Interest received	2,415	1,064
Purchase of tangible fixed assets	(440,126)	(605,529)
Net cash used in investing activities	(437,711)	(604,465)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(312,717)	4,485
Cash and cash equivalents at the beginning of the year	1,270,507	1,266,022
Cash and cash equivalents at the end of the year	957,790	1,270,507

The notes on pages 24 to 43 form part of these financial statements

THE MATTHEW PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The Matthew Project is a company, limited by guarantee and has no share capital, incorporated in England and Wales, registration number 6388343. The registered office is 70-80 Oak Street, Norwich, Norfolk, NR3 3AQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Matthew Project meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

In approving these accounts, the Trustees have assessed whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of The Matthew Project to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of the approval of the financial statements.

The Trustees have assessed the financial uncertainty arising from COVID-19, and have put in place measures to respond to the crisis as described in the Trustees' Report. They have reviewed the level of liquid assets and funds and the expected income and expenditure for 12 months from authorising these financial statements. Taking particularly into consideration the level of unrestricted reserves and projected cashflows the Trustees conclude that the charity will meet its liabilities as they fall due for the period of assessment. For this reason, the Trustees consider the charity to be financially well positioned and that the financial statements should continue to be prepared on a going concern basis.

2.3 Legal status of the Charity

The Charity is a company by limited guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

THE MATTHEW PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid and tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued income in debtors.

Legacies are included in the Statement of Financial Activities when the charity becomes aware of its entitlement to gift, receipt is probable and the amount can be reliably quantified.

Income from government grants, whether 'capital' grants or 'revenue' grants, are 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.

Income received in advance for a future fundraising event or for a grant received relating to the following year are deferred until the criteria for income recognition has been met.

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

Sponsorship from events, fundraising and events registration fee are recognised in income when the event takes place. Trading income is recognised on point of sale for both donated and purchased goods.

2.5 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings:

- Cost of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies. Fundraising costs do not include the costs of disseminating information of support of the charitable activities.
- Support costs comprise those costs which are incurred directly in support of expenditure on the objects transferred to the new provider.
- Support costs are allocated on the basis of the full time equivalent of staff to the resource.

All expenditure is inclusive of irrecoverable VAT.

THE MATTHEW PROJECT
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

All purchased fixed assets are initially recorded at cost. Assets donated for use by the charity are recognised as income when receivable and capitalised at their open market value.

Depreciation is calculate so as to write off the cost of an asset, less its estimated residual value over the useful economic life of that asset.

The estimated useful lives are as follows:

Leasehold improvements	-	over period of lease
Caravans	-	25 % RB
Motor vehicles	-	25 % RB
Equipment (fixed)	-	over period of property lease
Furniture and equipment (movable)	-	25 % SL
Computer equipment	-	33 % SL

2.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

THE MATTHEW PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

2.14 Pensions

Contributions to the charity's defined contribution pension scheme and to the Norfolk Pension Scheme are charged to the profit and loss account in the year in which they become payable.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

No judgements (apart from those involving estimates) have been made in the process of applying the above policies.

The key assumption concerning the future and key sources of estimation uncertainty at the key reporting date that has significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year include:

- The estimation of the useful economic life of the fixed assets.

THE MATTHEW PROJECT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	52,377	333,504	385,881
Legacies	28,169	-	28,169
	<u>80,546</u>	<u>333,504</u>	<u>414,050</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	22,017	27,444	49,461
Legacies	135,781	-	135,781
	<u>157,798</u>	<u>27,444</u>	<u>185,242</u>

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Young Persons	4,632	1,409,611	1,414,243
Adult Services	-	368,297	368,297
Community Justice	-	17,320	17,320
Total 2020	<u>4,632</u>	<u>1,795,228</u>	<u>1,799,860</u>

THE MATTHEW PROJECT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Young Persons	-	1,463,49£	1,463,49£
Adult Services	3,459	387,79£	391,24£
Community Justice	-	33,54£	33,54£
<i>Total 2019</i>	<u>3,459</u>	<u>1,884,83£</u>	<u>1,888,289</u>

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Fundraising events	2,529	2,529	-
Other trading activities	3,677	3,677	5,63£
Total 2020	<u>6,206</u>	<u>6,206</u>	<u>5,63£</u>

All income from other trading activities in 2019 was unrestricted.

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	<u>2,415</u>	<u>2,415</u>

THE MATTHEW PROJECT
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest	1,064	1,064

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Young Persons	-	74	74
Adult Services	910	1,233	2,143
Support costs	1,170	-	1,170
	<u>2,080</u>	<u>1,307</u>	<u>3,387</u>

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Youth Services	-	1,500	1,500
Adult Services	-	1,644	1,644
Support costs	279	-	279
	<u>279</u>	<u>3,144</u>	<u>3,423</u>

THE MATTHEW PROJECT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Young Persons	1,297,975	185,400	1,483,375
Adult Services	382,828	63,131	445,959
	<u>1,680,803</u>	<u>248,531</u>	<u>1,929,334</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Young Persons	1,280,593	262,250	1,542,843
Adult Services	382,500	113,979	496,479
	<u>1,663,093</u>	<u>376,229</u>	<u>2,039,322</u>

Analysis of direct costs

	Young Persons 2020 £	Adult Services 2020 £	Total funds 2020 £
Staff and volunteer costs	938,581	321,672	1,260,253
Service costs	237,474	12,241	249,715
Premises and office running costs	102,299	25,385	127,684
Depreciation including loss on disposal	19,621	23,530	43,151
	<u>1,297,975</u>	<u>382,828</u>	<u>1,680,803</u>

THE MATTHEW PROJECT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Young Persons 2019 £</i>	<i>Adult Services 2019 £</i>	<i>Total funds 2019 £</i>
Staff and volunteer costs	914,805	307,155	1,221,964
Service costs	241,755	11,037	252,792
Premises and office running costs	98,282	48,103	146,385
Depreciation including loss on disposal	25,751	16,201	41,952
	<u>1,280,593</u>	<u>382,500</u>	<u>1,663,093</u>

Analysis of support costs

	Young Persons 2020 £	Adult Services 2020 £	Total funds 2020 £
Salaries	120,684	41,094	161,778
Staff costs	6,538	2,281	8,819
Volunteer costs	172	58	230
Training	2,593	883	3,476
Staff travel	466	159	625
Vehicle costs	4	2	6
Service costs	898	305	1,203
Premises costs	13,132	4,472	17,604
Office running costs	15,791	5,377	21,168
Telephone	3,832	1,305	5,137
IT	6,640	2,261	8,901
Finance and legal costs	1,746	595	2,341
Audit, consultancy and professional fees	11,529	3,871	15,400
Depreciation	1,375	468	1,843
	<u>185,400</u>	<u>63,131</u>	<u>248,531</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Young Persons 2019 £</i>	<i>Adult Services 2019 £</i>	<i>Total funds 2019 £</i>
Salaries	142,774	62,052	204,826
Staff costs	25,063	10,892	35,955
Volunteer costs	51	22	73
Training	1,853	806	2,659
Staff travel	3,053	1,327	4,380
Vehicle costs	96	42	138
Service costs	4	2	6
Premises costs	7,742	3,365	11,107
Office running costs	10,875	4,727	15,602
Telephone	3,471	1,508	4,979
IT	5,273	2,292	7,565
Finance and legal costs	26,279	11,421	37,700
Audit, consultancy and professional fees	33,337	14,489	47,826
Depreciation	2,379	1,034	3,413
	<u>262,250</u>	<u>113,979</u>	<u>376,229</u>

Costs are allocated on the basis of the full time equivalent (FTE) of staff allocated to the resource.

10. Auditors' remuneration

	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>6,900</u>	<u>6,250</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Staff costs

	2020 £	2019 £
Wages and salaries	1,043,177	1,071,127
Social security costs	85,627	87,753
Pension costs	58,992	56,922
	<u>1,187,796</u>	<u>1,215,802</u>

During the year redundancy payments of £4,955 and non-contractual severance payments of £1,206 have been paid. These are recognised on the basis set out in accounting policy 2.5.

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Average monthly head count	<u>52</u>	<u>58</u>

No employee received remuneration amounting to more than £60,000 in either year.

The charity considers that the key management personnel comprise the trustees and senior management team. The total employee benefits of key management personnel of the charity were £299,943 (2019: £235,516).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Caravans £	Total £
Cost or valuation						
At 1 April 2019	561,612	54,905	81,523	99,474	80,917	878,431
Additions	405,382	-	32,131	2,613	-	440,126
Disposals	(14,135)	-	-	-	-	(14,135)
Transfers between classes	(1,552)	-	1,552	-	-	-
At 31 March 2020	951,307	54,905	115,206	102,087	80,917	1,304,422
Depreciation						
At 1 April 2019	18,671	24,802	79,183	67,660	70,586	260,902
Charge for the year	9,937	7,526	3,752	21,196	2,583	44,994
On disposals	(14,135)	-	-	-	-	(14,135)
At 31 March 2020	14,473	32,328	82,935	88,856	73,169	291,761
Net book value						
At 31 March 2020	936,834	22,577	32,271	13,231	7,748	1,012,661
At 31 March 2019	542,941	30,103	2,340	31,814	10,331	617,529

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	1
	<hr/>
At 31 March 2020	1
	<hr/> <hr/>
Net book value	
At 31 March 2020	1
	<hr/>
<i>At 31 March 2019</i>	<i>1</i>
	<hr/> <hr/>
See note 29 for further details.	

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	17,451	48,665
Other debtors	375	-
Prepayments and accrued income	125,492	73,798
	<hr/>	<hr/>
	143,318	122,463
	<hr/> <hr/>	<hr/> <hr/>

THE MATTHEW PROJECT
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£	<i>£</i>
Trade creditors	27,298	<i>111,470</i>
Amounts owed to group undertakings	1	<i>1</i>
Other taxation and social security	27,926	<i>18,522</i>
Other creditors	750	<i>-</i>
Accruals and deferred income	229,874	<i>342,396</i>
	285,849	<i>472,389</i>

Deferred income comprises contract income received in advance for contracts to be performed in future accounting periods.

	2020	<i>2019</i>
	£	<i>£</i>
Deferred income at 1 April 2019	283,396	<i>220,191</i>
Resources deferred during the year	196,925	<i>283,396</i>
Amounts released from previous periods	(283,396)	<i>(220,191)</i>
	196,925	<i>283,396</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Unrestricted funds				
General Fund	766,085	93,799	(101,696)	758,188
Restricted funds				
Young Persons	118,873	1,424,686	(1,435,096)	108,463
Adult Services	635,522	704,046	(393,553)	946,015
Voice box and Vehicles	17,631	-	(2,376)	15,255
	<u>772,026</u>	<u>2,128,732</u>	<u>(1,831,025)</u>	<u>1,069,733</u>
Total of funds	<u><u>1,538,111</u></u>	<u><u>2,222,531</u></u>	<u><u>(1,932,721)</u></u>	<u><u>1,827,921</u></u>

THE MATTHEW PROJECT
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

17. Statement of funds (continued)

Statement of funds - current year (continued)

General Fund:

The general reserve represents funds of the charity which are provided on an unrestricted basis. It includes, donations, fund raising and surpluses and deficits arising from projects funded from various external sources.

Young Persons service covers three main areas:

1) The provision of informal advice and outreach to young people in schools and clubs. This is funded from a number of sources included Suffolk and Norfolk County Councils, Comic Relief and various charitable trusts.

2) The Unity project is funded by the Norfolk DAAT and identifies and works with vulnerable young people.

3) On Track is part of the Building Better Opportunities (BBO) programme which is funded by the European Social Fund (ESF) and Big Lottery. The Matthew Project is the lead partner on this project. We were awarded the funding in January 2017 and the project ran until December 2019.

Adult Services covers the following areas:

1) A service to Persistent and Prolific offenders in Norwich funded by Norfolk Constabulary as well as a Recovery Worker in the Control Room.

2) Outside the Wire provides advice and support to members and ex-members of the Armed Forces and their families. It is currently funded by the Royal British Legion, the Armed Forces Covenant Fund, ABF Soldiers' Charity and HM Treasury (using LIBOR funds)

3) The Recovery Hub fund is for the purchase and development of a building for use by the Recovery Hub Service.

Voicebox and vehicles:

One voicebox caravan (and towing vehicle) is used in work to educate and support young people throughout Norfolk. The balances on the funds will cover future depreciation of these assets which were originally purchased using restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2019 £</i>
Unrestricted funds				
General Fund	758,259	162,321	(154,495)	766,085
Restricted funds				
Young Persons	81,096	1,477,625	(1,439,848)	118,873
Adult Services	640,202	440,279	(444,959)	635,522
Voice box and Vehicles	21,074	-	(3,443)	17,631
	742,372	1,917,904	(1,888,250)	772,026
Total of funds	1,500,631	2,080,225	(2,042,745)	1,538,111

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	68,079	944,582	1,012,661
Fixed asset investments	1	-	1
Current assets	975,957	125,151	1,101,108
Creditors due within one year	(285,849)	-	(285,849)
Total	758,188	1,069,733	1,827,921

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	82,070	535,459	617,529
Fixed asset investments	1	-	1
Current assets	1,156,403	236,567	1,392,970
Creditors due within one year	(472,389)	-	(472,389)
Total	<u>766,085</u>	<u>772,026</u>	<u>1,538,111</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	<u>289,810</u>	<u>37,480</u>
Adjustments for:		
Depreciation charges	44,994	45,367
Decrease/(increase) in debtors	(20,855)	563,060
Decrease in creditors	(186,540)	(35,893)
Interest received	(2,415)	(1,064)
Net cash provided by operating activities	<u>124,994</u>	<u>608,950</u>

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	<u>957,790</u>	<u>1,270,507</u>
Total cash and cash equivalents	<u>957,790</u>	<u>1,270,507</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of Net Debt

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	1,270,507	(312,717)	957,790
	<u>1,270,507</u>	<u>(312,717)</u>	<u>957,790</u>

22. Pension commitments

The Charity operates a defined contribution scheme in respect of certain employees of the Charity.

Contributions are charged in the accounts as incurred and totalled £58,992 (2019: £56,922). There were outstanding contributions at the balance sheet date of 31 March 2020 of £6,483 (2019: £5,645).

23. Operating lease commitments

At 31 March 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	8,845	8,845
Later than 1 year and not later than 5 years	24,576	24,576
Later than 5 years	327,618	333,779
	<u>361,039</u>	<u>367,200</u>

24. Related party transactions

During the year purchases totalling £312 were made from Matrix Training Consultancy Limited, a company which Margaret Wade, trustee of The Matthew Project, is a director.

25. Corporate status

The company is a registered charity (No. 1122801) incorporated under the Companies Act and limited by guarantee. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

26. Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Principal activity	Holding
Matthew Project Enterprises Limited	10840324	Dormant	100%

The financial results of the subsidiary for the period were:

Name	Net assets £
Matthew Project Enterprises Limited	1