

Registered Charity Number: 1157932

Company number: 08576383



ELEMENT SOCIETY

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2019

Element Society

Contents

	Page
Legal and administrative information	1
Trustees' annual report	2 – 8
Independent examiner's report	9
Statement of financial activities	10
Balance sheet	11
Statement of Cash Flows	12
Notes to the accounts	13 - 19

Element Society

Legal and administrative information for the year ended 31 December 2019

Trustees

John Rigby

Ian Balshaw

Joseph Parkinson

Hugh Man-Adamson

Sophie Eyre

Johnny Pawlik

Resigned 1 June 2020

Gregory Burke

Appointed 12 February 2019

Adrian Rattenbury

Appointed 12 February 2019

Sally Jackson

Company secretary

Christopher Hill

Key management

Christopher Hill Chief executive officer

Charity number

1157932

Company number

08576383

Registered office

Yorkshire House

66 Leopold Street

Sheffield

S1 2GZ

Independent Examiner

Sarah Lightfoot, FCA DChA

On behalf of:

VAS Community Accountancy

The Circle

33 Rockingham Lane

Sheffield

S1 4FW

Element Society

Trustees' annual report For the year ended 31 December 2019

The Directors, who are also Trustees of the charity, submit their annual report and the financial statements for the year ended 31 December 2019.

The Trustees confirm that the annual report and financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statements 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).

Structure, governance, and management

Structure - The charity is constituted as a company limited by guarantee and is governed by its memorandum and articles of association.

Governance - The directors of Element Society are its trustees for the purposes of charity law and are appointed by the company's members. There is a minimum of 3 directors at any one time.

The Board shall admit to membership such persons as it thinks fit and the Board may from time to time, by resolution, prescribe (and vary) criteria for membership. Nominations of directors shall be for a fixed or indeterminate period provided however that no such fixed period shall exceed three years and any indeterminate appointment shall automatically lapse at the end of three years but so that the nominated Board director shall be eligible for re-nomination.

New trustees attend a series of meetings with the executive team and attend their initial board meeting as an observer as part of their induction to the work of the charity. Formal governance training is delivered internally using charity commission guidance, though we are reviewing how to enhance this process over the coming year.

Management

The day-to-day management of the charity is provided by Element Society whereby Christopher Hill fulfils the role of Chief Executive. The senior management team supports the Board of Trustees through its delegated powers.

Principal Activities and Review of Operations

Element Society believes in people and their ability to do unbelievable things. We work within ethical guidelines on projects that will change the world, but we aim to do this differently.

Our methods are to disrupt current thinking, pool expertise from all disciplines and draw from a wealth of cross-sector experience to have a genuine positive impact on the world. This means bringing enterprise thinking to all our work. We achieve our targets, provide quality client service and always push forward to pioneer new ground. There is no standing still for us, no resting on our laurels, no taking our position as deserved instead of achieved.

Our projects are carefully selected based on a belief and understanding that they can make an achievable difference. We are undeterred by working in different sectors and know that with the right tools we can achieve success for any project that we truly believe in.

Element Society

Trustees' annual report (continued) For the year ended 31 December 2019

Objectives and Public Benefit

Objectives – Element Society's objective is:

- *The advancement in life of young people by providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.*

Public Benefit - The trustees can confirm that to the best of their knowledge and capacity, they have complied with their duty to provide identifiable and tangible benefits for the public as a result of the charities programme of work. The trustees have referred to guidance from the Charity Commission when reviewing aims and objectives and in planning future activities.

The Charity has achieved tangible public benefits in the furtherance of its objectives with over 400 young people (aged 16 – 24) taking part or supporting our main programmes of delivery. Participants were drawn from within Sheffield City Region.

National Citizen Service (NCS)

Element Society is a subcontracted Delivery Partner (DP) of English Football League Trust (EFLT) in the YH1 region of National Citizen Service (NCS). We have responsibility for delivering the numbers of NCS participants allocated by EFLT and signed the new 3-year contract with EFLT 11 October 2019.

The following table sets out a synopsis of our activities:

<u>Phase</u>	<u>Description</u>
1 – Marketing, Recruitment & Engagement	During this phase, our role is to market the NCS programme and sign up young people and keep them engaged prior to the first residential week. Element Society keeps in regular contact with them to ensure that they turn up to phase two.
2 – Away Residential	We then take cohorts (teams of 15) on a full-time residential week that is at least one hour's travel from the young person's home community. The focus of this phase is on teamwork and challenge (predominantly physical) that encourages the young people to leave their comfort zones, thereby facilitating personal and social development, together with the development of team and leadership skills. We provide the staff that supervise the trip and the team leaders and assistants that will remain with the team through the duration of the programme. The individual residential centres provide the accredited supervision for the activities held during the week.

Trustees' annual report (continued)
For the year ended 31 December 2019

Phase	Description
3 – Home Residential	<p>The following week is a full-time residential week based within one hour's travel of the young person's place of residence. This phase focuses on developing new skills and gaining an increased understanding of their local community. The core elements consist of:</p> <ul style="list-style-type: none"> ● Developing skills in various areas, ● Building networks to gain an understanding of local organisations and residents, ● Personal and social development through guided reflection activities. <p>Our approach has been to use University Halls of Residence as the residential location as part of a life skills element to the programme. We bring in additional specialised tutors to deliver sessions throughout the week (for example Self Defence or Presentation Skills) along with bringing local community group or charity representatives in to give a talk and run a session about what they do. Additional session work is delivered by our own staff through guided reflection or NCS provided modules. This summer our local MP Paul Blomfield attended a session to discuss how he got into politics and hosted a Q&A session. Lord David Blunkett also attended one of our sessions to share his life experiences with the NCS participants.</p>
4 – Social Action Planning	<p>The next phase of delivery is 30 hours of activity over 4 or 5 consecutive days with the young people residing at home. During this phase, the teams will design a Social Action Project in consultation with the intended beneficiaries. The project must seek to:</p> <ul style="list-style-type: none"> ● Support the core aims of NCS (a more engaged, responsible, and cohesive society), ● Involve people from the community and deliver a tangible benefit, and ● Create opportunities for social and/or intergenerational mixing. <p>Element Society hosts the NCS cohorts at its offices in Sheffield along with utilising space at Sheffield Hallam University for this phase and provides additional community/project mentoring along with the support provided by the team leaders and assistants. During this phase a "Dragon's Den" is held where each team has to pitch its social action project to a team of Dragons (local VCFS/business people) who will provide advice and guidance about the idea and have the ability, if required, to approve a small grant to enable the team to cover the costs of delivering the project.</p>
5 – Social Action Project Delivery	<p>A further 30 hours of activity to deliver the Social Action Project that was developed and planned out in the previous phase. The teams are expected and encouraged to be as independent as possible for this stage, therefore the support we provide is relatively light touch to allow the teams to take centre stage with the people/communities that they are supporting with their project.</p>
Graduation Event	<p>The programme culminates in a large celebration and graduation event for participants and their guests. It is aimed at celebrating a young person's rite of passage along with highlighting the outcomes of their Social Action Projects and any other achievements. Element Society arranges the whole event and runs it on the day to ensure that all the young people enjoy the experience and can share it with their friends and family</p>

Element Society

Trustees' annual report (continued) For the year ended 31 December 2019

In addition to the main programme we have developed a scheme where we continue working with NCS participants after they have graduated from the programme. We have been able to offer a number of roles for interested participants to do the following:

- Volunteer on NCS recruitment activities
- Be an Assistant to a team during a future delivery period
- Involved in arranging "Keep in Touch" Events
- Planning and supporting the delivery of the Graduation
- Paid office work supporting the programme
- Paid Referral scheme
- Work Experience schemes
- Volunteer opportunities with our partner organisations
- Continued Social Action

Achievements and performance

In 2019, we achieved the following outputs:

- Over 400 young people actively participated on our schemes
- Assemblies and PSHE delivered to >2000 young people
- Through our social action projects, we achieved over 20,000 volunteer days
- 30 individual social action projects have been delivered within the NCS programme
- Each year we develop a new Youth Board, the members of which support Element in shaping future programmes as well as organising their own activities. The Youth Board is facilitated by a member of Element's management team, but the Board elects its own officers.
- A Member of our Youth Board sits on the Regional NCS Board

Other Programmes

Whilst NCS is our principle area of work we also developed and delivered additional programmes:

- Leaders in Training (LIT); The Leaders in Training Programme develops skills in areas including Leadership, Communication, Team Dynamics, and Diversity Awareness. These sessions are designed to equip young people with the skills and knowledge to excel in the future and in becoming future leaders. The sessions included: Leadership, Communication Skills, –Diversity Awareness, Team Dynamics, Emotional Intelligence & Reflection, Safeguarding and critical incidents, Guided Reflection & Ethos, Residential Training.
- Learn Through Nature (LTN) is a programme funded by the Peoples Local Trust for young people living with autism. This programme is due to be delivered in 2020.
- Living History was a project funded by Heritage Lottery and was delivered in partnership with the University of Sheffield and Sheffield Archives. The programme was designed for young people to capture and record the living history of recently arrived migrants and showcase their findings.
- Blue Dot is a programme funded by South Yorkshire Community Foundation to teach young people how to be a friend to someone living with mental health issues.
- We were able to recruit a part-time Business Development Manager following a successful application for grant funding from the Social Investment Business. The role of this officer is to attract new business to the charity and help it diversify into other youth work fields.
- Street Reach is a programme funded by the Home Office designed to help young people steer away from gun/gang and knife crime.
- Youth Advocacy Platforms: Mental health themed open mic nights where young people were given an opportunity to share their voice on issues that they care about.

Element Society

Trustees' annual report (continued) For the year ended 31 December 2019

Key Funders

- English Football League Trust for the NCS programme
- Peoples Local Trust for Learn Through Nature
- Heritage Lottery Fund for the Living History Project
- South Yorkshire Community Foundation for Blue Dot
- The Home Office for our Street Reach Programme
- Social Investment Business to recruit a Business Development Manager
- The Cooperative Foundation to fund building repairs

Donations in kind towards the renovation and furnishing Yorkshire House, totalling an estimated £64,190, were received from the following organisations:

- Sheffield College
- Sheffield Decorating Centre
- Dulux
- Yorkshire Ambulance Service
- PhD Finder
- HSBC
- Sheffield Hallam University
- Sheffield College
- Westfield Health

Impact of COVID-19

The fallout from Covid-19 undoubtable leaves Element and organisations like ours with more work than ever if we want to see equitable opportunities for young people. Although covid-19 has caused untold turmoil, it has woken society (and funders) up to the issues facing young people. Element is now ahead of many organisations and prepared for new funds that are becoming available.

The control measure for Covid-19 has affected the charity in a variety of ways.

Element's beneficiaries are amongst the worst affected by covid-19. They have missed significant periods of education and development. In the short to medium term this is expected to increase issues such as anxiety, increase the gap between have and have nots, and reduce employability/employment options.

Staff suffered loss of income due to the furlough scheme being at 80%. One team member did not have their contract extended due to the expected funding being cancelled.

The implication of Covid-19 on the charity's operations and activities was that all face to face work was halted from March until August. During this time, the charity offered a variety of online sessions to keep young people engaged.

The first lockdown from March to August made us realise that face to face programmes may not always be available to us. We therefore took the decision that we would focus some of our efforts into going digital. This decision has been seen to be the correct way forward as the government announced the second lockdown on 5 November. Because we had taken to decision to deliver programmes digitally we had no cause to revert to the furlough scheme throughout the second lockdown.

No volunteers were able to support Element during this period. The reason for this is that the majority of the team were furloughed so unable to manage volunteers.

Currently, the networks Element are part of are anticipating an increase in the following needs for young people: mental health and employability.

Element Society

Trustees' annual report (continued) For the year ended 31 December 2019

Element has adjusted its operations so that most of its services can operate in all but the most severe lockdowns. The charity has also invested in a video production studio that is allowing the team to transpose in-person sessions into digital lessons. The Blue Dot project has 'gone digital' and will be provided to schools for free. The charity is working in an informal partnership with Sheffield United and Sheffield Wednesday to provide digital resources for Sheffield College students.

Coronavirus has served to amplify the needs of young people. The issues are not necessarily new but are larger. Element already had strategic plans to offer more employability support for young people.

The financial situation for Element has changed in the following ways:

- The NCS Summer Contract was changed to cover all core costs until June 30th followed by a Payment by Results model for July and August. Element has performed at 110% of the contract target. Although the overall income is significantly reduced, the costs have reduced in tandem.
- The NCS Autumn contract has a slight increase in unit cost due to Covid-19, which has increased our income profile.
- An additional NCS payment stream has become available that provides significant surplus generation during 2020
- The expected income from the Heritage Lottery Fund Project Living History: Food has been withdrawn with reapplication likely to fall in 2021.
- Heritage Lottery Fund provided significant funding to cover charity costs to protect the organisation and its reserves.
- The charity utilised the furlough scheme to protect the organisation during a period of contractual uncertainty from NCS, and while our face to face work could not be safely undertaken.
- The decision was made by the Senior Leadership Team to top up the first month of furlough payment to 100%. This was made as a moral not legal obligation. This was made for several reasons. The first being the short notice to staff of being furloughed. The second was there was a strong indication from the NCS webinars that this cost would be covered for the majority of the team – this has now been confirmed by contract variation.

Plans for the future

Element recognises that in the future:

- funding will become more competitive
- there will be lasting impact from the coronavirus pandemic
- young people's needs will change and develop

Element has initiated the first stages of forming a partnership of youth organisations of similar size with shared values. It is expected that such a partnership would:

- make all the organisations more resilient
- increase the reach and impact of each organisation
- provide a platform for standardising some impact measurement
- allow for cost-saving/sharing and better bargaining power
- present the opportunity to bid for much larger grants and contracts

Element Society is determined not to become reliant on grant funding in order to sustain its operations. Whilst this also presents its own challenges in terms of securing funding, sound financial planning, high quality management information and good knowledge of external drivers help to increase the likelihood that financial risks will be anticipated well in advance of a crisis point.

Element Society

Trustees' annual report (continued) For the year ended 31 December 2019

Reserves Policy

As a not-for-profit organisation the charity actively seeks to maximise its annual expenditure on youth-based projects. As a matter of policy, therefore, only modest surpluses are planned for each year. At Element Society working capital is not only needed for future investment but also to fund delays in receipt of income and to absorb any short-term setbacks.

The policy of the charity is to set a target of 3 months of working capital for free reserves. Working capital has been seen as synonymous with free reserves as these are the resources the charity has or can make available to spend for any or all of the charity's purposes once it has met its commitments and covered its other planned expenditure. This excludes restricted reserves and any reserves that can only be realised by disposing of fixed assets held for charity use. In the financial statements this is equal to the unrestricted net current assets.

As of 31 December 2019, 3 months' working capital equated to £45,000 whilst free reserves stood at £54,300 (2018: £57,097).

In addition, the charity had £15,492 set aside in designated funds.

Element Society's reserves policy is informed by:

- Its forecasts for levels of income in future years and the reliability of each source.
- Its forecasts for expenditure in future years on the basis of planned activity.
- The analysis of any future needs, opportunities, contingencies or risks and the likelihood and impact of each.

The main need for reserves at present is to fund the delay in the receipt of income with a small cushion to absorb short-term setbacks.

Small company provisions

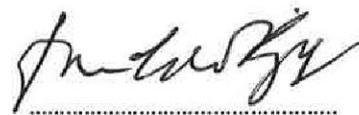
This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The trustees' report was approved by the board of trustees on 15/12/2020 and signed on their behalf by:



Print Name: HUGH MANN ADAMSON

Trustee



Print Name: JOHN G W RIGBY

Trustee

Independent examiner's report to the directors of Element Society ('the Company')

I report to the charity directors on my examination of the accounts of the Company for the year ended 31 December 2019.

Responsibilities and basis of report

As the directors of the Company you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

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

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

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

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

Signed:



Sarah Lightfoot, FCA DChA
On behalf of:
VAS Community Accountancy
The Circle
33, Rockingham Lane
Sheffield
S1 4FW

Date:

21 December 2020

Element Society
Statement of financial activities
(incorporating the income and expenditure account)
For the year ended 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Income from:							
Donations	2	66,184	-	66,184	1,256	-	1,256
Charitable activities	3	326,693	125,318	452,011	352,366	59,788	412,154
Other trading activities	4	16,762	-	16,762	14,127	-	14,127
Investments - bank interest		94	-	94	33	-	33
Total income		409,733	125,318	535,051	367,782	59,788	427,570
Expenditure on:							
Charitable Activities	5	397,669	60,967	458,636	352,251	81,769	434,020
		397,669	60,967	458,636	352,251	81,769	434,020
Net income/(expenditure)		12,064	64,351	76,415	15,531	(21,981)	(6,450)
Transfers between funds	13	-	-	-	-	-	-
Net movement in funds		12,064	64,351	76,415	15,531	(21,981)	(6,450)
Total funds brought forward		57,818	8,074	65,892	42,287	30,055	72,342
Total funds carried forward		69,882	72,425	142,307	57,818	8,074	65,892

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Element Society
Balance Sheet
As at 31 December 2019

	Notes	Total 2019 £	Total 2018 £
Fixed assets			
Tangible assets	8	<u>90</u>	<u>721</u>
Current assets			
Debtors	9	51,208	4,134
Cash at bank and in hand		108,753	72,521
Total current assets		<u>159,961</u>	<u>76,655</u>
Creditors: amounts falling due within one year	10	(10,244)	(11,484)
Net current assets		<u>149,717</u>	<u>65,171</u>
Total assets less current liabilities		<u>149,807</u>	<u>65,892</u>
Creditors: amounts falling due after more than one year	11	(7,500)	-
Total net assets		<u><u>142,307</u></u>	<u><u>65,892</u></u>
Represented by:			
Funds of the Charity			
General funds		54,390	57,818
Designated funds	12	15,492	-
Total designated funds		69,882	57,818
Restricted income funds	13	72,425	8,074
	11	<u>142,307</u>	<u>65,892</u>

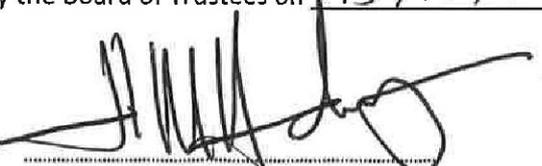
For the year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The director's acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small

Approved by the Board of Trustees on 15/12/2020 and signed on their behalf by:

Print Name: 
 Trustee
 HUGH MANN ADAMSON


 Trustee
 JOHN G W RIGBY

Element Society
Statement of Cash Flows
For the year ended 31 December 2019

	2019	2018
	£	£
Cash flows from operating activities		
Net cash provided by/(used in) operating activities	28,638	(8,863)
Cash flows from investing activities		
Investment income	94	33
Purchase of fixed assets	<u>-</u>	<u>-</u>
Net cash (used in)/provided by investing activities	94	33
Cash flows from financing activities		
Cash inflows from new borrowing	7,500	-
Repayment of borrowing	<u>-</u>	<u>-</u>
Net cash provided by/(used in) financial activities	7,500	-
	<u> </u>	<u> </u>
Change in cash and cash equivalents	36,232	(8,830)
Cash and cash equivalents at the beginning of the year	72,521	81,351
Cash and cash equivalents at the end of the year	<u><u>108,753</u></u>	<u><u>72,521</u></u>

Element Society
Notes to the Accounts
For the year ended 31 December 2019

1 Accounting policies

(a) General

Element Society is a charitable company in the United Kingdom limited by guarantee. In the event that the charity is wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and with the Charities Act 2011.

Element Society meets the definition of a public benefit entity under FRS 102. The financial statements are prepared under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £.

(b) 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.

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

(c) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(d) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, 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, including irrecoverable VAT, and has been listed under headings that aggregate all the costs related to that activity.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expense headings on the basis of the time spent.

Governance costs are those in connection with the management of the charity, organisational administration and compliance with the constitutional and statutory requirements.

Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

(e) Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following

Fixtures, fittings & equipment	20% straight line
Computers	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

(f) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Element Society
Notes to the Accounts (continued)
For the year ended 31 December 2019

1 Accounting policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(h) Creditors

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(i) Financial instruments

The charity 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.

(j) Pension obligations

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

(k) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(l) Taxation

As a charity, the organisation is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

(m) Leases

Rental payable and receivable under operation leases are charged to the SOFA on a straight line basis over the period of the lease.

(n) Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the organisation without further specified purpose and are available as general funds.

Designated funds are funds set aside at the discretion of the trustees for a specific project.

Restricted funds are to be used for specific purposes as laid down by the funder.

(o) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2 Income from donations

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Donations and gifts	1,994	-	1,994	1,256	-	1,256
Donations in kind	64,190	-	64,190	-	-	-
	66,184	-	66,184	1,256	-	1,256

Element Society
Notes to the Accounts (continued)
For the year ended 31 December 2019

3 Income from charitable activities

		Unrestricted Funds	Restricted Funds	Total 2019	Unrestricted Funds	Restricted Funds	Total 2018
		£	£	£	£	£	£
Contracts and fees	National Citizens Service	325,193	-	325,193	352,366	-	352,366
Contracts and fees	Other contracts	1,500	-	1,500	-	-	-
Big Lottery Fund	Big Potential	-	-	-	-	51,664	51,664
Sheffield City Council Cohesion grant	Social Action Society	-	4,500	4,500	-	-	-
South Yorkshire Policy and Crime Commissioner	CSE Workshop	-	1,369	1,369	-	2,438	2,438
People's Postcode Trust	Learning through nature	-	18,990	18,990	-	-	-
The National Lottery Heritage Fund	Displaced Migrants Living History	-	35,600	35,600	-	-	-
Access - The foundation for Social Investment	Enterprise Development Programme	-	23,400	23,400	-	-	-
Home Office	Street Reach	-	29,959	29,959	-	-	-
Westfield Health Charitable Trust	Building development	-	4,000	4,000	-	-	-
Co-op Foundation	Building development	-	7,500	7,500	-	-	-
South Yorkshire's Community Foundation	Blue Dot - MH Workshops	-	-	-	-	4,686	4,686
Sheffield City Council Cohesion grant	Good News Stories	-	-	-	-	1,000	1,000
		326,693	125,318	452,011	352,366	59,788	412,154

4 Income from other trading activities

	Unrestricted Funds	Restricted Funds	Total 2019	Unrestricted Funds	Restricted Funds	Total 2018
	£	£	£	£	£	£
Letting and licensing arrangements	15,289	-	15,289	13,986	-	13,986
Other trading income	1,473	-	1,473	141	-	141
	16,762	-	16,762	14,127	-	14,127

5 Expenditure on charitable activities

	Note	Unrestricted Funds	Restricted Funds	Total 2019	Unrestricted Funds	Restricted Funds	Total 2018
		£	£	£	£	£	£
Direct activity costs		114,984	2,498	117,482	146,218	2,286	148,504
Staff salary costs	6	167,688	39,492	207,180	154,172	26,288	180,460
Other staff costs		5,448	4,099	9,547	5,665	300	5,965
Accommodation		22,337	1,634	23,971	21,569	-	21,569
Renovation costs		64,190	-	64,190	-	-	-
Professional fees		1,942	5,219	7,161	9,375	50,400	59,775
Communications & IT		1,744	2,482	4,226	892	-	892
Insurance		2,369	357	2,726	2,117	-	2,117
Marketing & publicity		3,730	2,182	5,912	1,621	296	1,917
Depreciation		631	-	631	1,900	-	1,900
Bad debts		300	-	300	-	-	-
Bank charges		501	69	570	681	-	681
Administration		10,223	2,417	12,640	6,121	2,199	8,320
Independent examination	7	1,582	518	2,100	1,920	-	1,920
		397,669	60,967	458,636	352,251	81,769	434,020

Element Society
Notes to the Accounts (continued)
For the year ended 31 December 2019

6 Staff Costs

	2019	2018
	£	£
Salaries and wages	194,403	167,946
Employer's National Insurance	12,038	10,650
Employer's allowance	(3,000)	(3,000)
Employer's pension contributions	3,739	4,864
	<u>207,180</u>	<u>180,460</u>

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

The average monthly number of paid employees during the year was 17 (2018: 14). The actual monthly staff varies due to the extra staff taken on over the summer.

Contributions to personal pension plans are charged to the Statement of financial activities as they become payable. The pension cost shown above represents the contributions made by the company to the fund.

7 Fees payable to Independent examiner's organisation

	2019	2018
	£	£
Independent examination	<u>2,100</u>	<u>1,920</u>
Tax return	-	210
Software Subscription	460	312
	<u>460</u>	<u>522</u>

8 Tangible fixed assets

	Fixtures, fittings and equipment	Computers	Total
	£	£	£
Cost or Valuation			
As at 1 January 2019	8,211	1,031	9,242
As at 31 December 2019	<u>8,211</u>	<u>1,031</u>	<u>9,242</u>
Depreciation			
As at 1 January 2019	7,490	1,031	8,521
Charge this period	631	-	631
As at 31 December 2019	<u>8,121</u>	<u>1,031</u>	<u>9,152</u>
Net Book Value			
As at 31 December 2019	<u>90</u>	<u>-</u>	<u>90</u>
As at 31 December 2018	<u>721</u>	<u>-</u>	<u>721</u>

9 Debtors

	2019	2018
	£	£
Trade debtors	38,586	3,750
Other debtors	12,622	384
	<u>51,208</u>	<u>4,134</u>

Element Society
Notes to the Accounts (continued)
For the year ended 31 December 2019

10 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	3,654	4,980
Accruals	5,475	5,919
Other creditors	1,115	585
Other loans	-	-
	<u>10,244</u>	<u>11,484</u>

11 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other loans	7,500	-
	<u>7,500</u>	<u>-</u>
Other loans are repayable as follows:		
Within one year	-	-
Between one to two years	1,250	-
Between two to five years	5,625	-
Over five years	625	-
	<u>7,500</u>	<u>-</u>

Other loans are unsecured and have a nil% rate of interest. The funder offered a 6 month repayment break in early 2020, due to the COVID-19 situation, and this has been reflected in the loans repayable breakdown above.

12 Designated funds

	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
NCS: Activity programme	-	326,044	(310,552)	-	15,492
	<u>-</u>	<u>326,044</u>	<u>(310,552)</u>	<u>-</u>	<u>15,492</u>

NCS: Activity programme

The trustees have decided to ringfence the NCS Activity programme because the activities span different financial years.

Element Society
Notes to the Accounts (continued)
For the year ended 31 December 2019

13 Restricted funds

	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
People's Postcode Trust: Learning through nature	2,340	18,990	(2,221)	-	19,109
South Yorkshire's Community Foundation: Blue Dot - MH Workshops	4,686	-	(4,686)	-	-
Sheffield City Council Cohesion grant: Social Action Society	-	4,500	(4,500)	-	-
Sheffield City Council Cohesion grant: Good News Stories	500	-	(500)	-	-
South Yorkshire Policy and Crime Commissioner: CSE Workshop	548	1,369	(1,917)	-	-
The National Lottery Heritage Fund: Displaced Migrants Living History	-	35,600	(31,970)	-	3,630
Access - The foundation for Social Investment: Enterprise Development Programme	-	23,400	(8,755)	-	14,645
Home Office: Street Reach	-	29,959	(5,792)	-	24,167
Westfield Health Charitable Trust: Building development	-	4,000	-	-	4,000
Co-op Foundation: Building development	-	7,500	(626)	-	6,874
	8,074	125,318	(60,967)	-	72,425

People's Postcode Trust: Learning through nature

Taking 14-18 year-olds living with special education needs on supported learning visits into different habitats to enhance their lives. This project began in 2018 and will be completed in 2021.

South Yorkshire's Community Foundation: Blue Dot - MH Workshops

Workshops designed by young people that stigma about mental health on how to be a friend to a young person suffering from mental health problems.

Sheffield City Council Cohesion grant: Social Action Society

Sheffield City Council are making a contribution of 1 day per week salary of the Social Action Co-ordinator to support ongoing social action projects.

Sheffield City Council Cohesion grant: Good News Stories

A series of flyers and posters promoting good acts undertaken by young people in Sheffield.

South Yorkshire Policy and Crime Commissioner: CSE Workshop

Workshops designed by young people to raise awareness of Child Sexual Exploitation. The programme was delivered to approximately 400 young people. The project also funded research for SY Police into knife crime in Sheffield.

The National Lottery Heritage Fund: Displaced Migrants Living History

Training young people to capture and share heritage stories of displaced peoples living in Sheffield.

Access - The foundation for Social Investment: Enterprise Development Programme

A grant to support Element to generate income through trading.

Home Office: Street Reach

Having conversations with 200 young people at risk of joining gangs in an attempt to find a better route for them. A front line youth work programme where they're needed most on the streets of Sheffield.

Building development

Monies have been secured to fund various aspects of the renovation work at Yorkshire House.

<i>Prior year comparative</i>	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Carried forward</i>
	£	£	£	£	£
<i>Big Lottery Fund: Big Potential</i>	16,655	51,664	(68,319)	-	-
<i>People's Postcode Trust: Learning through nature</i>	13,400	-	(11,060)	-	2,340
<i>South Yorkshire Community Foundation: Blue Dot - MH Workshops</i>	-	4,686	-	-	4,686
<i>Sheffield City Council Cohesion grant: Good News Stories</i>	-	1,000	(500)	-	500
<i>South Yorkshire Policy and Crime Commissioner: CSE Workshop</i>	-	2,438	(1,890)	-	548
	30,055	59,788	(81,769)	-	8,074

Element Society
Notes to the Accounts (continued)
For the year ended 31 December 2019

14 Net assets by fund

	General Fund £	Designated Funds £	Restricted Funds £	Total 2019 £
Tangible fixed assets	90	-	-	90
Net current assets	61,800	15,492	72,425	149,717
Creditors of more than one year	(7,500)	-	-	(7,500)
	<u>54,390</u>	<u>15,492</u>	<u>72,425</u>	<u>142,307</u>
<i>Prior year comparative</i>	<i>General Fund £</i>	<i>Designated Funds £</i>	<i>Restricted Funds £</i>	<i>Total 2018 £</i>
<i>Tangible fixed assets</i>	<i>721</i>	<i>-</i>	<i>-</i>	<i>721</i>
<i>Net current assets</i>	<i>57,097</i>	<i>-</i>	<i>8,074</i>	<i>65,171</i>
<i>Creditors of more than one year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	<u><i>57,818</i></u>	<u><i>-</i></u>	<u><i>8,074</i></u>	<u><i>65,892</i></u>

15 Trustee remuneration and expenses, and the cost of key management personnel

The trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil) neither were they reimbursed expenses during the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the Trust were £44,323 (2018: £39,287).

16 Related party transactions

A close family member of one trustee was employed during the year. The individual concerned earned £12,000 (2018: £12,000). The related trustee did not vote on any remuneration decisions.

Johnny Pawlik became a trustee in June 2018. He is the owner and director of the company Mantra Media Ltd which rents office space from the charity. Mantra Media Ltd paid £15,289 during the year for the rental space (2018: £11,226). It is considered that the rent is at reasonable market value.

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

	2019 £	2018 £
Net income/(expenditure) for the year (as per the SOFA)	76,415	(6,450)
Adjustments for:		
(Increase)/decrease in debtors	(47,074)	84
Increase/(decrease) in creditors	(1,240)	(4,364)
Investment income	(94)	(33)
Depreciation	631	1,900
Net cash provided by/(used in) operating activities	<u>28,638</u>	<u>(8,863)</u>

18 Net debt reconciliation

	At start of year £	Cashflows £	Other non-cash changes £	At end of year £
Cash at bank and in hand	72,521	36,232	-	108,753
Loan falling due in less than 5 years	-	(7,500)	-	(7,500)
<i>Prior year comparison</i>	<i>At start of year £</i>	<i>Cashflows £</i>	<i>Other non-cash changes £</i>	<i>At end of year £</i>
<i>Cash at bank and in hand</i>	<i>81,351</i>	<i>(8,830)</i>	<i>-</i>	<i>72,521</i>
<i>Loan falling due in less than 5 years</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>