

SPRINGBOARD SUNDERLAND TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

Registered Charity Number: 519650
Company Number: 02121694

SPRINGBOARD SUNDERLAND TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

REFERENCE AND ADMINISTRATION DETAILS

Directors	Jonathan Nicholson John Colin Wilson Denise Wilson Karen Anne Alexander Elizabeth Anne McHugh Graham Burt Bradley Hooper
Principal staff/Secretary	Steven George Reay
Key Management Personnel	Anne Hopper- Learning and Support Manager David Barker – Chief Executive Officer Shelagh Lamb- Study Programme Lead Lisa Gregory- Head of Finance Kevin Bainbridge- Works Lead Alan Taws- Head of Performance Steve Reay- Head of Business Development Anne Marie Graham- Apprenticeships Lead Louise Rought- Maths & English Lead Carl Fox- Manager/ Subcontracts liason manager Keith Miller- ICT manager
Company registered number	02121694 (England and Wales)
Charity registered number	519650
Registered office	The Alec Dickson Centre Rivergreen Industry Centre Pallion Sunderland SR4 6AD
Auditor	RSM UK Audit LLP 1 St James' Gate Newcastle upon Tyne NE1 4AD
Bankers	National Westminster Bank plc Sunderland City Branch 52 Fawcett Street Sunderland SR1 1SB Barclays Bank Sunderland City Branch Fawcett Street Sunderland SR1 1RS

SPRINGBOARD SUNDERLAND TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

Directors Report 2018 - 2019

The Directors, who are also trustees for charity law purposes, submit their annual report and the financial statements of Springboard Sunderland Trust for the period ended 31st July 2019. Reference and administrative information set out on page 2 forms part of this report. The Directors confirm that the annual report and financial statements of the Company comply with current statutory requirements, the requirements of the Company's governing document and Accounting and Reporting by Charities Statement of Recommended Practice Applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK (FRS102) (effective 1 January 2015).

Structure Governance and Management

The organisation is a charitable company limited by guarantee, incorporated on 9th April 1987 and registered as a charity on 19th January 1988.

The Trust was established under a memorandum of association which established the objects and powers of the charitable company and is governed by its articles of association last updated on 31 July 2014.

The Trust has established risk management procedures which involve identifying and monitoring risk and taking appropriate action where necessary. The board believes that appropriate systems are in place to mitigate the major risks to which the company is exposed.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning its future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives that have been set.

Recruitment and appointment of trustees

Trustees are appointed at a Trustees meeting. Prior to inviting nominees, the Chair and Chief Executive officer review the experience and skills base of the nominated trustees. On appointment, each trustee receives a full briefing and induction on the activities of the Trust.

The directors of the charitable company (the Trust) are its trustees for the purposes of charity law. The trustees and officers serving during the year and since the year end were as follows:

David Barker (resigned 31 December 2019)
Jonathan Nicholson
John Colin Wilson
Denise Wilson
Ian Alan Burke (resigned on 28 January 2020)
Karen Anne Alexander (appointed 10 April 2019)
Elizabeth Anne McHugh (appointed 10 April 2019)
Graham Burt (appointed 10 April 2019)
Bradley Hooper (appointed 10 April 2019)

Objectives and Activities

The Trust's primary aim is to support the development of sustainable communities, where people have the skills they need for work and life.

The main strategic objectives of the Trust for the period were:

- Ensure the long term sustainability of Springboard
- Monitor performance to enable continuous improvement
- Deliver the current range of services and expand our activities
- Grow the business

SPRINGBOARD SUNDERLAND TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

Pay policy for key management personnel

The Trustees of Springboard and the senior management team comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. Trustees give their time freely and no one received remuneration in the year in their role as trustee.

Salary levels of the senior management team are reviewed annually by the Trustees based on sector benchmarking.

No member of staff received emoluments above £60,000 in this year.

Related Parties

Springboard and Sunderland RCA Football Club are related parties during the year. Colin Wilson is a member of the RCA management committee and is a Trustee of Springboard Sunderland Trust for the year ended 31 July 2019.

Introduction

The management structure comprises of a Chief Executive and Heads of Business Development, Operations, Performance and Finance. Each department had its own strategic objectives which linked to the Trust's overall strategic plan.

In this financial year to 31 July 2019, 1975 people were active on mainstream programmes, of which 1271 were with Springboard on a range of programmes and 704 with our partner subcontractors.

Strategic Report

Financial Review

The overall income of the Trust for the year was £3,768,603. This is a decrease on the last financial year. Our overall expenditure was £4,184,383 which includes staff costs of £1,838,767. An operating deficit of £415,780 is recorded.

At the year end the overall fund balance of the Trust stood at £1,263,324, represented in a large part by freehold properties owned by us and used to further our activities. The long term strategy of Springboard in terms of property and resource management in areas of development has proved again to be effective and sustainable.

Achievements and Performance

Springboard continued to be one of the north east's leading training, employment and community development organisations.

A number of indicators showed improvement in the year including:

- Adult Skills progression to full time employment rose from 17% to 19%
- Adult Skills achievement rates rose from 84% to 91%
- Study Programme retention rose from 62% to 75%

The partnership with Ascent Trust enabled a number of young people with learning difficulties and/or disabilities to access age appropriate learning facilities. It is envisaged that this will lead to a new young adult programme for people with autism.

Signal, internationally known as Poverty Stoplight, was adopted as a method for measuring and recording 'soft' outcomes for learners such as confidence, employability, health and financial security.

The Hetton Hub continued to provide learning and social opportunities for unemployed and socially excluded people.

Springboard's Hendon Centre continued to provide support to a number of voluntary and community groups from across Sunderland. The centre provides accommodation and partnership support for charities and not for profit organisations and ensures Springboard remains at the forefront of the voluntary sector in the area.

SPRINGBOARD SUNDERLAND TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

Staffing

The organisation began the process of aligning staff to the four key strategic objectives of the charity - Business Development, Operations, Performance and Finance.

Staff numbers in 2018/19 averaged 93 including apprentices, down on 118 in 2017/18.

Principal risks and uncertainties

Principal risks and uncertainties over this period continue to include the implications of major reforms to the way apprenticeships are funded and delivered, continued austerity and associated budget reductions and the implications of Brexit.

The introduction of the 'Apprenticeship Levy' has had significant impact across the sector and these impacted on Springboard. A large reduction in the number of lower level apprenticeships, such as those sought by Springboard learners, and the introduction of fees for employers and 'off the job' limits saw a reduction in the number of apprenticeships undertaken, in line with national results.

As a charity the economic environment within which we operate is very important. Given our mission to work in developing sustainable communities, it often means working in areas of high social deprivation. These areas have been hit hardest by continued austerity and local authority funding cuts.

Whilst the real implications of Brexit are unknown, economic forecasts across the north east are universally negative. It is envisaged that a decline in European Social Funds will adversely affect organisations like Springboard.

Covid19

Following imposed lockdown as a result of Covid19 in March 20, the organisation switched to a remote delivery model. An immediate shift change in learner and staff support was driven by the need for additional resources, involving a full practice and policy review. Covid19 had a significant impact on face to face delivery, engagement and recruitment mitigated by the responsive approach by the staff team. Following the curriculum, project and staffing review, Springboards realignment of resources and blended delivery model has resulted in an increase in engagement, recruitment and retention following the return to face to face learning in September 2020. Whilst challenges posed by the restrictions of Covid19 remain our work across the region with employers has seen an increase in programmes to meet the need of the changing labour market supported by our Remote Learning Policy.

Future Plans

The organisation completed the aligning of staffing in the four strategic departments of Business Development, Operations, Performance and Finance. Leads were appointed to be accountable for learning programmes – Study Programme, Adult Education (Works), Apprenticeships and Maths & English.

A new specialist facility, Springboard Futures, has proven extremely successful and lead to the development of two new additional SEND programmes provide work related learning for a number of young adults with autism. Futures Social Enterprise launched this year and has already proven popular with stakeholders. Durham Futures is due to open in partnership with Durham County Councils Durham Works department.

Signal has been embedded into all programmes to enable the organisation to track changes to learner groups and individual learners.

An increase in marketing and promotion of the organisation is planned to raise profile, attract more learners and seek an increase in charitable funds. A virtual learning environment is in development with online delivery becoming supporting learners remotely

Greater emphasis has been placed on the management of subcontracted provision. This is to ensure that high standards of integrity and quality continue to apply for all of Springboard's learners.

SPRINGBOARD SUNDERLAND TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

Reserves Policy

The Trustees consider that the ideal level of reserves as at 31st July 2019 would be £850k. This has been set as 3 months core costs expenditure. The actual level of free reserves as at 31 July 2019 is a deficit of £143k which is lower than budget and the trustees have put cost saving plans in place during the year to increase reserves. Since the year end, the Trust has sold, and is selling excess estate, to ensure that the reserves are built up at a faster rate. The trustees are confident that there are no material risks to the charity operating as a going concern.

Going Concern

There are no material uncertainties in respect of the charity's ability to continue as a going concern. The Trust prepared forecasts for the period to October 2021, together with a second scenario that represented a worst case. Both of these forecasts show that the Trust has sufficient cash funds for the foreseeable future. In addition, the Trust notes the net current liability position at 31 July 2019 of £202,629. Since the year end, some surplus estate has been sold, realising cash, and this has helped reduce the net current liabilities. The trustees believe that the Trust is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting.

SPRINGBOARD SUNDERLAND TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

Statement of Directors Responsibilities

The directors (who are also trustees of Springboard Sunderland Trust for the purposes of charity law) are responsible for preparing the directors' 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

There is no relevant audit information of which the charitable company's auditors are unaware, and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

RSM UK Audit LLP has indicated its willingness to continue in office.

Approved by the Trustees on 29 OCT 2020 and signed on its behalf by

Director

J. C. WILSON

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGBOARD SUNDERLAND TRUST

Opinion

We have audited the financial statements of Springboard Sunderland Trust (the 'charitable company') for the year ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 FRS 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 July 2019 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 Auditor's 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 UK, including the FRC'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.

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 auditor's 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.

Opinions 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 Directors' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGBOARD SUNDERLAND TRUST 'CONTINUED'

Matters on which we are required to report by exception

In the light of the 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 Directors' Report or the Strategic Report included within the Directors' Report.

We have nothing to report in respect of the following matters where the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 6, 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.

Auditor's 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 auditor's 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 <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

30 OCTOBER '20

SPRINGBOARD SUNDERLAND TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Income from:					
Investment income		6,364	-	6,366	1,147
Charitable activities	2	3,756,043	6,194	3,762,237	4,340,327
Total incoming resources		<u>3,762,409</u>	<u>6,194</u>	<u>3,768,603</u>	<u>4,341,474</u>
Expenditure on:					
Charitable activities		<u>4,178,189</u>	<u>6,194</u>	<u>4,184,383</u>	<u>4,478,246</u>
Total expenditure	3	<u>4,178,189</u>	<u>6,194</u>	<u>4,184,383</u>	<u>4,478,246</u>
Net expenditure	4	(415,780)	-	(415,780)	(136,772)
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(415,780)	-	(415,780)	(136,772)
Reconciliation of funds					
Total funds brought forward		<u>1,679,104</u>	<u>-</u>	<u>1,679,104</u>	<u>1,815,876</u>
Total funds carried forward		<u><u>1,263,324</u></u>	<u><u>-</u></u>	<u><u>1,263,324</u></u>	<u><u>1,679,104</u></u>

The statement of financial activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

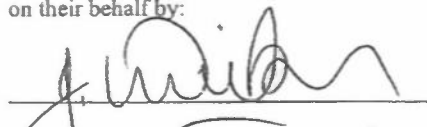
SPRINGBOARD SUNDERLAND TRUST

Company no: 02121694

BALANCE SHEET AS AT 31 JULY 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	7		<u>2,119,560</u>		<u>2,161,198</u>
Current assets					
Debtors	8	274,502		463,725	
Cash at bank and in hand		<u>608,359</u>		<u>920,815</u>	
		882,861		1,384,540	
Liabilities					
Creditors: amounts falling due within one year	9	<u>(1,085,490)</u>		<u>(1,866,634)</u>	
Net current liabilities			<u>(202,629)</u>		<u>(482,094)</u>
Total assets less current liabilities			1,916,931		1,679,104
Creditors: amounts falling due after one year	10		<u>(653,607)</u>		-
Net assets			<u>1,263,324</u>		<u>1,679,104</u>
Funds					
Unrestricted funds					
Designated funds	12/13	1,406,518		1,392,078	
General funds	12/13	<u>(143,194)</u>		<u>287,026</u>	
Total charity funds			<u>1,263,324</u>		<u>1,679,104</u>

The financial statements were approved, and authorised for issue, by the directors on 29 Oct 20 and signed on their behalf by:


Director

J.C. WILSON

SPRINGBOARD SUNDERLAND TRUST**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2019**

	<i>Notes</i>	2019 £	2018 £
Net cash flows from operating activities	16	(214,635)	140,519
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		6,365	1,147
Interest paid		(19,289)	(19,024)
Payments to acquire tangible fixed assets		(28,821)	-
Proceeds from sale of tangible fixed assets		-	-
NET CASH USED IN INVESTING ACTIVITIES		(41,745)	(17,877)
TAXATION		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		(56,076)	(61,411)
Repayment of finance leases		-	-
NET CASH (USED IN) FINANCING ACTIVITIES		(56,076)	(61,411)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		(312,456)	61,231
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		920,815	859,584
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		608,359	920,815

**SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

1 Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

Basis of Accounting

Springboard Sunderland Trust is a charitable company, limited by guarantee, registered in England. The address of the charity's registered office and principal place of business is The Alec Dickson Centre, Rivergreen Industry Centre, Pallion, Sunderland, SR4 6AD.

Springboard Sunderland Trust meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of training and education to young people and adults.

These financial statements have been prepared in accordance with "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 2015) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost of transaction value and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015 (Charities SORP (FRS 102)) and the Companies Act 2006.

The financial statements are presented in sterling which is also the functional currency of the Charity. The monetary amounts in these financial statements are rounded to the nearest £, except where otherwise indicated.

Going concern

The charity had total funds of £1,263,324 as at 31 July 2019 (decrease of £415,780 from 31 July 2018). This outturn was largely as a result of lower delivery in the year.

As a result of the Covid-19 pandemic, the cash flow forecasts have been updated to factor in the expected level of income and expenditure to confirm that the charity has sufficient cash for the organisation to continue for at least 12 months from the date these financial statements are signed. Management have also prepared a forecast, with downside scenarios included.

Both forecasts show that the charity will maintain sufficient cash funds to continue to trade for the foreseeable future.

At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. Income from the sale of goods and services is recognised in the financial statements during the year in which the service is carried out and therefore entitlement is earned.

Revenue and government grants are credited to the statement of financial activities when receivable.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

Contract income is recognised in the financial statements to the extent that entitlement has been earned at the year end through completion of the contract. Income from the sale of other goods and services is recognised in the period in which the good or service is provided to the customer.

**SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

Investment income is included in the Statement of Financial Activities on a receivable basis.

Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the general charitable purposes.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. As the charitable company only carried out one activity during the year, support costs have not been separately analysed.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Subcontractors costs represents Education & Skills Funding Agency (ESFA) income earned by subcontractors, where the contract with the ESFA is with Springboard Sunderland Trust. This expenditure is recognised as the lower of the profile amount payable per the contract between the charity and the partner and the actual income earned by the partners during the period, less a management fee.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Freehold land is not depreciated. The depreciation rates in use are as follows:

Freehold and long leasehold property	2% straight line
Office furniture and fittings	33.3% straight line
Computer equipment	33.3% straight line
Motor vehicles	33.3% straight line

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

Pensions

The Trust operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The amount charged to the statement of financial activities is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown as either prepayments or other creditors.

Agency income

The Trust acts as an agent in the administering of 16-19 Bursary Funds and free meals from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities

**SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

to the extent that the Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

In addition, the Trust acts as an agent in the administering of Apprenticeship Grants for Employers Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to employers are excluded from the statement of financial activities to the extent that the Trust does not have a beneficial interest in the individual transactions.

Financial instruments

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

All of the charities financial assets and financial liabilities qualify as basis financial instruments. Basic Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets: Trade and other debtors

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

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities: Trade and other creditors

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

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Recoverability of debtors

Debtors are reviewed on a line by line basis by the Trust annually. Provisions are made as appropriate following this review.

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2 Charitable activities

	Restricted £	Unrestricted £	2019 Total £	2018 Total £
Education & Skills Funding Agency	-	3,310,626	3,310,626	3,847,111
24+ loans	-	1,691	1,691	17,151
Schools exclusion and other contract income	-	4,800	4,800	41,335
Revenue from nursery, Bistro and Upstream	-	137,918	137,918	128,754
City of Sunderland - Nursery Grants	-	87,317	87,317	92,295
City of Sunderland – Other Grants	-	1,000	1,000	24,570
City of Sunderland - High Needs Element 3	-	93,374	93,374	-
City of Sunderland - Grants	-	45,210	45,210	-
DWP – Journey 2 Employment	4,346	-	4,346	53,952
Hartlepool Borough Council	-	-	-	994
DWP - Journey 2 Employment	-	10,169	10,169	-
Insurance Proceeds	-	5,987	5,987	-
Bank Interest	-	3,674	3,674	-
Fundraising and Donations	-	2,739	2,739	-
Gateshead Council	-	-	-	6,000
Trainee Bursaries	-	48,517	48,517	74,620
Other income	-	6,695	6,695	47,946
Other Grants	1,848	-	1,848	-
Rent	-	2,692	2,692	5,599
Total	6,194	3,762,409	3,768,603	4,340,327

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

3 Total resources expended

	Training & education £	Governance £	2019 £	2018 £
Staff costs (Note 5)	1,838,767	-	1,838,767	1,980,116
Secondment and Assessors	111,586	-	111,586	-
Trainee allowances	87,988	-	87,988	93,338
Vulnerable and Other Bursaries	18,924	-	18,924	48,568
Premises costs	384,420	-	384,420	319,358
Travel and subsistence	75,832	-	75,832	71,808
Training costs and staff training	116,238	-	116,238	105,454
Health & Safety	42,534	-	42,534	59,269
Materials	89,814	-	89,814	123,178
Professional services	94,286	13,000	107,286	126,957
Interest payable	19,289	-	19,289	19,024
Irrecoverable VAT	102,221	-	102,221	92,862
Sub-contractor costs	1,086,359	-	1,086,359	1,339,877
Marketing	34,497	-	34,497	-
Depreciation	70,458	-	70,458	60,852
Grant payable to SIB partner	9,650	-	9,650	-
Bad debts	15,000	-	15,000	15,000
Other	(26,480)	-	(26,480)	22,585
Total resources expended	4,171,383	13,000	4,184,383	4,478,246

The expenditure in 2019 related to £6,194 restricted funds and £4,178,189 unrestricted funds (2018: expenditure related to £53,952 restricted funds and £4,424,294 unrestricted funds).

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

4 Net (expenditure)/income for the year

This is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	70,458	60,852
Interest payable		
• loan interest	19,289	19,024
Operating lease rentals:		
• property	53,867	66,600
Auditors' remuneration		
• RSM UK Audit LLP	13,000	10,000
• RSM UK Tax and Accounting Limited	-	-

5 Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	1,667,118	1,807,252
Social security costs	112,712	129,035
Pension contributions	40,490	43,829
Redundancy costs	18,148	-
	<u>1,838,767</u>	<u>1,980,116</u>

No employee earned more than £60,000 during the year.

The average number of employees during the year was as follows:

	2019 No.	2018 No.
Training & education	82	86
Apprentices	11	32
	<u>93</u>	<u>118</u>

Directors

During the year, no director received any remuneration (2018: £nil). There were no reimbursed expenses payable to directors during the year (2018: £nil).

Key management personnel

The key management personnel of the charity comprise the personnel listed on page 2. The total employee benefits of the key management personnel of the charity were £398,095 (2018: £437,947).

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

6 Taxation

The trust is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7 Tangible fixed assets

	Freehold and long leasehold property	Computer equipment	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At the start of the year	3,042,720	233,900	364,074	73,792	3,714,486
Additions in year					
Disposals in year	-	19,820	-	9,000	28,820
At the end of the year	3,042,720	253,720	364,074	83,792	3,743,306
Depreciation					
At the start of the year	881,522	233,900	364,074	73,792	1,553,288
Charge for the year	60,852	6,607	-	3,000	70,458
Disposals in year	-	-	-	-	-
At the end of the year	942,373	240,506	364,074	76,972	1,623,746
Net book value					
At the end of the year	2,100,347	13,214	-	6,000	2,119,560
At the start of the year	2,161,198	-	-	-	2,161,198

Included within the net book value of £2,100,347 for freehold and long leasehold property is £1,534,589 which relates to long leasehold properties.

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

8 Debtors

	2019 £	2018 £
Debtors falling due within one year		
Trade Debtors	144,976	298,891
Other Debtors	76,407	122,632
Prepayments	<u>53,119</u>	<u>42,202</u>
	<u>274,502</u>	<u>463,725</u>

9 Creditors: amounts due within one year

	2019 £	2018 £
Bank loan - repayable within one year	59,437	769,120
Other creditors	973,603	1,060,596
Social Security and Other Taxes	<u>52,450</u>	<u>36,918</u>
	<u>1,085,490</u>	<u>1,866,634</u>

Included within Other Creditors is £nil deferred income (2018: £35,670) relating to 2019/20 funding received in advance.

10 Creditors: amounts due after one year

	2019 £	2018 £
Bank loan		
repayable within one to two years	62,628	-
repayable within two to five years	282,426	-
repayable over five years	<u>308,553</u>	<u>-</u>
	<u>653,607</u>	<u>-</u>

The bank loan in the year is from Barclays and is repayable by monthly instalments and bears a fixed rate interest at 3.85% per annum. The loan is secured by fixed charges over two of the charitable company's freehold properties as well as two of its leasehold properties. The loan is repayable over a 10 year term.

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

11 Financial Instruments

The carrying amounts of the Charity's financial instruments at 31 July were:

	2019	2018
	£	£
Financial assets		
Debt instruments measured at amortised cost:		
Trade Debtors	144,976	298,891
Other Debtors	<u>76,407</u>	<u>122,632</u>
Total	<u>221,383</u>	<u>421,523</u>
 Financial liabilities		
Measured at amortised cost:		
Bank loans	713,044	769,120
Other Creditors	<u>973,603</u>	<u>1,060,596</u>
Total	<u>1,686,647</u>	<u>1,829,716</u>

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

12 Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Designated funds:					
Fixed Asset Fund	1,392,078	-	(89,747)	104,185	1,406,516
Total designated funds	1,392,078	-	(89,747)	104,185	1,406,516
Summary of Funds					
Designated Funds	1,392,078		(89,747)	104,185	1,406,516
General Funds	287,026	3,762,408	(4,064,957)	(104,185)	(119,708)
	1,679,104	3,762,408	(4,154,704)	-	1,286,808
Restricted Funds	-	6,194	(6,194)	-	-
	1,679,104	3,768,602	(4,160,898)	-	1,286,808

Purpose of designated funds

The fixed asset fund represents the value of unrestricted fixed assets, less any loans used to finance them. The transfer in the year reflects the adjustment to depreciation and loan repayments.

Restricted funds

Restricted funds in the year relates to funding from the Department for work and pensions and Salary top-up funding received. This has been fully utilised in the period.

Year ended 31 July 2018

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Designated funds:					
Fixed Asset Fund	1,391,519	-	-	559	1,392,078
Total designated funds	1,391,519	-	-	559	1,392,078
Summary of Funds					
Designated Funds	1,391,519	-	-	559	1,392,078
General Funds	424,357	4,287,522	(4,424,294)	(559)	287,026
	1,815,876	4,287,522	(4,424,294)	-	1,679,104
Restricted Funds	-	53,952	(53,952)	-	-
	1,815,876	4,341,474	(4,478,246)	-	1,679,104

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

13 Analysis of net assets between funds

	Designated funds £	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	2,119,560	-	-	2,119,560
Net current liabilities	(59,435)	-	(143,194)	(202,629)
Long-term liabilities	(653,607)	-	-	(653,607)
Net assets at the end of the year	1,406,518	-	143,193	1,263,324

Year ended 31 July 2018

	Designated funds £	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	2,161,198	-	-	2,161,198
Net current liabilities	(769,120)	-	287,026	(482,094)
Long-term liabilities	-	-	-	-
Net assets at the end of the year	1,392,078	-	287,026	1,679,104

14 Other financial commitments

	2019 £	2018 £
Operating leases which expire:		
Within one year	35,000	46,667
Within one to two years	-	-
Within two to five years	-	-
	35,000	46,667

15 Pension commitments

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity, in independently administered fund. The contributions payable by the charity charged to income and expenditure as part of charitable activities, amounted to £40,490 (2018: £43,829) and all related to unrestricted funds. Amounts outstanding of £6,880 (2018: £4,070) are included in other tax and social security creditor at the year end.

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

16 Reconciliation of net (outgoing)/ incoming resources to net cash inflow from operating activities

	2019 £	2018 £
Net (outgoing)/incoming resources	(415,779)	(136,772)
Interest receivable	(6,365)	(1,147)
Interest payable	19,289	19,024
Depreciation	70,458	60,852
Decrease in debtors	189,223	19,119
Increase in creditors	(71,461)	179,443
	<hr/>	<hr/>
Net cash inflow from operating activities	(214,635)	140,519

17 Ultimate parent company and controlling party

With effect from 31 July 2014 it is considered that there is no party with control.

18 Related party transactions

Springboard Sunderland and Sunderland RCA football club are related parties since Colin Wilson has significant control of the football club and is a trustee of Springboard Sunderland Trust during the year ended 31 July 2019.

Springboard Sunderland was financially involved in the football club during the year providing printing services from Springboard which are recharged to the club. The club provided sporting facilities and work experience opportunities to Springboard in return.

Springboard Sunderland provided printing services for which it charged £1,738 (2018: £nil), and made sponsorship payments to the club of £nil (2018: £2,638). The amount owed to Springboard Sunderland by the club at the year end was £39,452 (2018: £37,714).

19 Agency arrangements

The charity administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £102,756 (2018: £70,115) and disbursed £22,719 (2018: £22,948) and a balance of £173,892 (2018: £104,493) remained in creditors at the year end.

The charity also administers the disbursement of free meals on behalf of the ESFA. In the year it received £54,698 (2018: £97,545) and disbursed £5,127 (2018: £23,255) and a balance of £226,668 (2018: £178,266) remained in creditors at the year end.

20 Post balance sheet events

A coronavirus pandemic is impacting global business. The Directors continue to monitor and successfully manage the situation to manage the risks to the business.