

**SPRINGBOARD SUNDERLAND TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

Registered Charity Number: 519650  
Company Number: 02121694

REFERENCE AND ADMINISTRATION DETAILS

<b>Directors</b>	Jonathan Nicholson John Colin Wilson Denise Wilson Karen Anne Alexander Graham Burt Bradley Hooper
<b>Principal staff/Secretary</b>	Steven George Reay
<b>Key Management Personnel</b>	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
<b>Company registered number</b>	02121694 (England and Wales)
<b>Charity registered number</b>	519650
<b>Registered office</b>	The Alec Dickson Centre Rivergreen Industry Centre Pallion Sunderland SR4 6AD
<b>Auditor</b>	RSM UK Audit LLP 1 St James' Gate Newcastle upon Tyne NE1 4AD
<b>Bankers</b>	National Westminster Bank plc Sunderland City Branch 52 Fawcett Street Sunderland SR1 1SB  Barclays Bank Sunderland City Branch Fawcett Street Sunderland SR1 1RS

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2020**

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**Directors Report 2019 - 2020**

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 2020. 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:

Steve Reay  
Jonathan Nicholson  
John Colin Wilson  
Denise Wilson  
Karen Anne Alexander  
Elizabeth Anne McHugh (resigned 21 July 2020)  
Graham Burt  
Bradley Hooper

**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 2020**

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#### **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 2020.

#### **Introduction**

The organisation underwent a restructure during this period with the appointment of a new Chief Executive and realigning senior staff to the three departments of 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 2020, 762 people were active on mainstream programmes, a significant reduction in total numbers from 18/19 as a direct result of the Coronavirus Pandemic.

#### **Strategic Report**

##### **Financial Review**

The overall income of the Trust for the year was £2,872,167. This is a decrease on the last financial year. Our overall expenditure was £3,086,234 which includes staff costs of £1,708,046. An operating deficit of £214k is recorded.

At the year end the overall fund balance of the Trust stood at £1,049,257, 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 19/20 from 18/19 including:

- Study programme Core Aim achievement rose by 6%
- Study Programme attendance increased by 4.1%
- The AEB contract was fulfilled despite the Covid19 restrictions
- AEB Retention increased by 6%
- AEB attendance increased by 3.5%

##### **Staffing**

The organisation completed the process of aligning staff to the three key strategic objectives of the charity - Operations, Performance and Finance.

Staff numbers in 19/20 averaged 88 including apprentices, down from 93 in 2018/19.

Salary costs

18/19 £1,950,202

19/20 £1,708,046

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2020**

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**Principal risks and uncertainties**

Principal risks and uncertainties over this period continue to include the impact of Coronavirus restrictions. Enforced closure as a result of the international pandemic Covid19 has had a significant impact on operations. Following ESFA and central Government instruction, centres were closed on March 23rd 2020. Learner support, delivery and back office roles moved immediately to a remote 'work from home' (WFH) model as of Monday 23rd March 2020. Business critical staff continued to man centres meeting vulnerable learner support requirements. Restrictions to face to face recruitment for new learners resulted in a significant impact to new business across all programmes. Staff and learner transition has proven successful with SP retention remaining above 80%. Adult classroom based programmes were required to cease immediately impacting AEB contract performance significantly.

Employer's reluctance to invest in staff development due to the Furlough Support fund continues to impact Apprenticeship uptake. In addition to Covid19 restrictions the introduction of three conflicting forms of financial incentive for Kickstart, Traineeships and Apprenticeships have had an impact on learner recruitment.

The implications of major reforms to the way post 16 training is funded and delivered, continued austerity and associated budget reduction, the manner in which employers are utilising their 'Apprenticeship Levy' is compounded by uncertainties surrounding Covid19 restrictions continue to have an effect on business planning and forecasting.

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 continue to result in 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. The 'UK Shared Prosperity Fund' and subsequent replacements to the previously accessed European Social Fund have not yet been confirmed and compound uncertainties for community support in recognised areas of deprivation. These areas have been hit hardest by continued austerity and local authority funding cuts.

**Future Plans**

The organisation has completed an alignment of staffing along three strategic departments of Operations, Performance and Finance. Leads have been appointed to be accountable for learning programmes – Study Programme, Adult Education (Works), Apprenticeships and Maths & English.

The organisation has undergone a change in CEO who has reduced strategic departments, aligning Business Development into Operations. Staff reductions have not impacted on the effectiveness of the department. Leads continue to report to the Head of Operations.

An increase of commissioned SEND (Special educational needs and disabilities) places continues to provide Local Authority support to the development of specialist provision across the region.

Springboard Futures success has led to the development two additional projects, Futures Social Enterprise and the A-Spire Bistro. Futures Social Enterprise has been developed in conjunction with a new feeder programme Durham Works Futures and is an area for significant growth over the next 12 months. The A-Spire Bistro builds on the success of this model utilizing existing resources to offer bespoke Hospitality and Catering Training for a range of abilities. This project is intended to provide additional opportunities supporting ASD students, identified as an area of need by the local authority. In addition to the increased of SEND offer a further two projects have been developed to increase Study Programme income

A continued increase in the use of Social Media has been particularly successful in mitigating the challenges presented by Covid19. VLE (Virtual Learning environment) delivery platforms are now supported by specialist staff to ensure a blended delivery model continues to grow successfully over the next 12 months. This has allowed the introduction of a new, industry recognised learning platform to complement our existing VLE- Smart Assessor, recently extended to support all funded programmes.

An expansion of Health and Social Care and relaunch of Engineering and Construction programmes are planned in response to the demand for increased training and employment opportunities within Sunderland and South Tyneside. Partnerships with national employers in Construction and Health and Social Care have resulted in training programmes with curriculums designed by Springboard and the employer to meet the specific needs of the labour market. This responsive curriculum development model is in place to ensure best use of the range of high quality facilities owned by

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2020**

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Springboard, in readiness to access any increased Covid19 financial support for NEET, 16+ education, redundancy or return to employment training.

The management of subcontracted provision continues to improve ensuring high standards of integrity and quality continue to apply for all of Springboard's learners across the region.

**Reserves Policy**

The Trustees consider that the ideal level of reserves as at 31st July 2020 would be £850k. This has been set as 3 months core costs expenditure. The actual level of free reserves as at 31 July 2020 is a deficit of £218k which is lower than budget and the trustees have put cost saving plans in place during the year to increase reserves. In the event that the Trust found itself facing difficult financial circumstances the income from the sale of property. Any income from the sale of property will allow us to meet our responsibilities, reduce expenditure to build reserves in addition to investment in a number of new projects developed to meet local need build. High Needs Funded funding has been increased by 35% for the forthcoming year with two local authorities working with Springboard to further expand Element 3 funded SEND provision. Therefore the Trustees are confident that there are no material risks to the Trusts ability to operate 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 July 2022, 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 2020 of £281,203. The Trust continue to review the surplus estate in order to realise cash, and help 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 2020

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#### 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 18.6.2021 and signed on its behalf by

  
Director

**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 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 7, 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

*21 June 2021*

**SPRINGBOARD SUNDERLAND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income from:</b>					
Investment income		1,416	-	1,416	6,366
Charitable activities	2	2,583,962	48,415	2,632,377	3,762,237
Profit on sale of fixed assets	4	238,374	-	238,374	-
<b>Total incoming resources</b>		<b>2,823,752</b>	<b>48,415</b>	<b>2,872,167</b>	<b>3,768,603</b>
<b>Expenditure on:</b>					
Charitable activities		3,037,819	48,415	3,086,234	4,184,383
<b>Total expenditure</b>	3	<b>3,037,819</b>	<b>48,415</b>	<b>3,086,234</b>	<b>4,184,383</b>
<b>Net expenditure</b>	4	<b>(214,067)</b>	<b>-</b>	<b>(214,067)</b>	<b>(415,780)</b>
<b>Net movement in funds</b>		<b>(214,067)</b>	<b>-</b>	<b>(214,067)</b>	<b>(415,780)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,263,324	-	1,263,324	1,679,104
<b>Total funds carried forward</b>		<b>1,049,257</b>	<b>-</b>	<b>1,049,257</b>	<b>1,263,324</b>

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

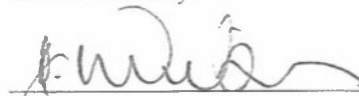
SPRINGBOARD SUNDERLAND TRUST

Company no: 02121694

BALANCE SHEET AS AT 31 JULY 2020

	Note	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	7		<u>1,917,879</u>		<u>2,119,560</u>
			1,917,879		
<b>Current assets</b>					
Debtors	8	194,044		274,502	
Cash at bank and in hand		<u>692,968</u>		<u>608,359</u>	
		887,012		882,861	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	9	<u>(1,168,215)</u>		<u>(1,085,490)</u>	
<b>Net current liabilities</b>			<u>(281,203)</u>		<u>(202,629)</u>
<b>Total assets less current liabilities</b>			1,636,676		1,916,931
<b>Creditors: amounts falling due after one year</b>	10		<u>(587,419)</u>		<u>(653,607)</u>
<b>Net assets</b>			<u>1,049,257</u>		<u>1,263,324</u>
<b>Funds</b>					
Unrestricted funds					
Designated funds	12/13		1,267,268		1,406,518
General funds	12/13		<u>(218,011)</u>		<u>(143,194)</u>
			1,049,257		1,263,324
Restricted funds	12/13		-		-
<b>Total charity funds</b>			<u>1,049,257</u>		<u>1,263,324</u>

The financial statements were approved, and authorised for issue, by the directors on 18<sup>th</sup> June and signed on their behalf by:

  
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 Director

**SPRINGBOARD SUNDERLAND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	<i>Notes</i>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Net cash flows from operating activities	16	(193,220)	(214,635)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		1,416	6,365
Interest paid		(26,656)	(19,289)
Payments to acquire tangible fixed assets		(15,652)	(28,821)
Proceeds from sale of tangible fixed assets		381,154	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>340,262</u>	<u>(41,745)</u>
<b>TAXATION</b>		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank loans		(62,433)	(56,076)
Repayment of finance leases		-	-
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>		<u>(62,433)</u>	<u>(56,076)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		<u>84,609</u>	<u>(312,456)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<u>608,359</u>	<u>920,815</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>692,968</u>	<u>608,359</u>

## **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 £1,049,257 as at 31 July 2020 (decrease of £214,067 from 31 July 2019). 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 charity 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. The trustees do not consider that there are any material uncertainties to impact the charity's ability to continue as a going concern.

### **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**  
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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 2020**

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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 basic 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**  
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**2 Charitable activities**

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Education & Skills Funding Agency	-	2,196,034	<b>2,196,034</b>	3,310,626
24+ loans	-	3,176	<b>3,176</b>	1,691
Schools exclusion and other contract income	-	-	-	4,800
Revenue from nursery, Bistro and Upstream	-	99,880	<b>99,880</b>	137,918
City of Sunderland - Nursery Grants	-	124,560	<b>124,560</b>	87,317
City of Sunderland – Other Grants	5,567	-	<b>5,567</b>	1,000
City of Sunderland - High Needs Element 3	-	117,482	<b>117,482</b>	93,374
City of Sunderland – Hetton SIB	42,748	-	<b>42,748</b>	45,210
DWP – Journey 2 Employment	-	-	-	4,346
Apprenticeship Co-investment	-	415	<b>415</b>	10,169
Insurance Proceeds	-	800	<b>800</b>	5,987
Bank Interest	-	1,416	<b>1,416</b>	3,674
Fundraising and Donations	-	2,949	<b>2,949</b>	2,739
Vulnerable and other bursaries	-	30,550	<b>30,550</b>	48,517
Other income	-	5,906	<b>5,906</b>	6,695
Other Grants	100	2,210	<b>2,310</b>	1,848
Rent	-	-	-	2,692
<b>Total</b>	<b>48,415</b>	<b>2,585,378</b>	<b>2,633,793</b>	<b>3,768,603</b>



**SPRINGBOARD SUNDERLAND TRUST**  
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**3 Total resources expended**

	Training & education £	Governance £	2020 £	2019 £
Staff costs (Note 5)	1,644,316	-	1,644,316	1,838,767
Secondment and Assessors (agency costs)	63,730	-	63,730	111,586
Trainee allowances	77,670	-	77,670	87,988
Vulnerable and Other Bursaries	20,362	-	20,362	18,924
Premises costs	243,936	-	243,936	384,420
Travel and subsistence	38,124	-	38,124	75,832
Training costs and staff training	79,125	-	79,125	116,238
Health & Safety	34,659	-	34,659	42,534
Materials & equipment	97,920	-	97,920	89,814
Professional services	74,987	11,875	86,862	107,286
Interest payable	26,656	-	26,656	19,289
Irrecoverable VAT	71,398	-	71,398	102,221
Sub-contractor costs	492,592	-	492,592	1,086,359
Marketing	25,543	-	25,543	34,497
Depreciation	74,553	-	74,553	70,458
Grant payable to SIB partner	8,915	-	8,915	9,650
Bad debts	-	-	-	15,000
Other	(127)	-	(127)	(26,480)
<b>Total resources expended</b>	<b>3,074,359</b>	<b>11,875</b>	<b>3,086,234</b>	<b>4,184,383</b>

The expenditure in 2020 related to £48,415 restricted funds and £3,037,819 unrestricted funds (2019: expenditure related to £6,194 restricted funds and £4,178,189 unrestricted funds).

**SPRINGBOARD SUNDERLAND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4 Net (expenditure)/income for the year**

This is stated after charging:

	2020 £	2019 £
Depreciation - owned assets	74,553	70,458
Profit on disposal of fixed assets	238,374	-
Interest payable		
• loan interest	26,656	19,289
Operating lease rentals:		
• property	55,996	53,867
Auditors' remuneration		
• RSM UK Audit LLP	11,875	13,000
	<u>11,875</u>	<u>13,000</u>

**5 Staff costs and numbers**

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,496,345	1,667,118
Social security costs	102,439	112,712
Pension contributions	43,136	40,490
Agency costs	63,730	111,586
Recruitment costs	1,165	148
Redundancy costs	1,231	18,148
	<u>1,708,046</u>	<u>1,950,202</u>

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

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

	2020 No.	2019 No.
Training & education	82	82
Apprentices	6	11
	<u>88</u>	<u>93</u>

**Directors**

During the year, no director received any remuneration (2019: £nil). There were no reimbursed expenses payable to directors during the year (2019: £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 £374,519 (2019: £398,095).

**SPRINGBOARD SUNDERLAND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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
	£	£	£	£	£
<b>Cost</b>					
At the start of the year	3,042,720	253,720	364,074	82,792	3,743,306
Additions in year	-	12,485	3,167	-	15,652
Disposals in year	(199,591)	-	-	-	(199,591)
At the end of the year	2,843,129	266,205	367,241	82,792	3,559,367
<b>Depreciation</b>					
At the start of the year	942,373	240,507	364,074	76,972	1,623,746
Charge for the year	59,729	10,768	1,056	3,000	74,553
Disposals in year	(56,811)	-	-	-	(56,811)
At the end of the year	945,291	251,275	365,130	79,792	1,641,488
<b>Net book value</b>					
At the end of the year	<u>1,897,838</u>	<u>14,930</u>	<u>2,111</u>	<u>3,000</u>	<u>1,917,879</u>
At the start of the year	<u>2,100,347</u>	<u>13,214</u>	<u>-</u>	<u>6,000</u>	<u>2,119,560</u>

Included within the net book value of £1,897,838 for freehold and long leasehold property is £1,433,292 which relates to long leasehold properties.

**SPRINGBOARD SUNDERLAND TRUST**  
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**8 Debtors**

	2020	2019
	£	£
<b>Debtors falling due within one year</b>		
Trade Debtors	105,000	144,976
Other Debtors	25,395	76,407
Prepayments	63,649	53,119
	<u>194,044</u>	<u>274,502</u>

**9 Creditors: amounts due within one year**

	2020	2019
	£	£
Bank loan - repayable within one year	63,192	59,437
Other creditors	1,057,396	973,603
Social Security and Other Taxes	47,627	52,450
	<u>1,168,215</u>	<u>1,085,490</u>

Included within Other Creditors is £nil deferred income (2019: £nil) relating to 2020/21 funding received in advance.

**10 Creditors: amounts due after one year**

	2020	2019
	£	£
Bank loan		
repayable within one to two years	65,820	62,628
repayable within two to five years	216,606	282,426
repayable over five years	304,993	308,553
	<u>587,419</u>	<u>653,607</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 2020**

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**11 Financial Instruments**

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

	<b>2020</b>	2019
	<b>£</b>	£
<b>Financial assets</b>		
Debt instruments measured at amortised cost:		
Trade Debtors	105,000	144,976
Other Debtors	<u>25,395</u>	<u>76,407</u>
<b>Total</b>	<u>130,395</u>	<u>221,383</u>
 <b>Financial liabilities</b>		
Measured at amortised cost:		
Bank loans	650,611	713,044
Other Creditors	<u>1,116,833</u>	<u>973,603</u>
<b>Total</b>	<u>1,767,444</u>	<u>1,686,647</u>

**SPRINGBOARD SUNDERLAND TRUST**  
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**12 Movements in funds**

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
<b>Designated funds:</b>					
Fixed Asset Fund	1,406,516	-	(101,209)	(38,039)	1,267,268
<b>Total designated funds</b>	<b>1,406,516</b>	<b>-</b>	<b>(101,209)</b>	<b>(38,039)</b>	<b>1,267,268</b>
<b>Summary of Funds</b>					
Designated Funds	1,406,516	-	(101,209)	(38,039)	1,267,268
General Funds	(143,192)	2,823,752	(2,936,610)	38,039	(218,011)
	1,263,324	2,823,752	(3,037,819)	-	1,049,257
Restricted Funds	-	48,415	(48,415)	-	-
	1,263,324	2,872,167	(3,086,234)	-	1,049,257

**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 2019**

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
<b>Designated funds:</b>					
Fixed Asset Fund	1,392,078	-	(89,747)	104,185	1,406,516
<b>Total designated funds</b>	<b>1,392,078</b>	<b>-</b>	<b>(89,747)</b>	<b>104,185</b>	<b>1,406,516</b>
<b>Summary of Funds</b>					
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				
Restricted Funds	-	6,194	(6,194)	-	-
	1,679,104	3,768,602	(4,160,898)	-	1,286,808

**SPRINGBOARD SUNDERLAND TRUST**  
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**13 Analysis of net assets between funds**

	Designated funds £	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	1,917,879	-	-	<b>1,917,879</b>
Net current liabilities	(63,192)	-	(218,011)	<b>(281,203)</b>
Long-term liabilities	(587,419)	-	-	<b>(587,419)</b>
<b>Net assets at the end of the year</b>	<b>1,267,268</b>	<b>-</b>	<b>(218,011)</b>	<b>1,049,257</b>

**Year ended 31 July 2019**

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

**14 Other financial commitments**

	2020 £	2019 £
Operating leases which expire:		
Within one year	<b>35,000</b>	35,000
Within one to two years	-	-
Within two to five years	-	-
	<b>35,000</b>	<b>35,000</b>

**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 £43,136 (2019: £40,490) and all related to unrestricted funds. Amounts outstanding of £8,427 (2019: £6,880) are included in other tax and social security creditor at the year end.

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

	2020 £	2019 £
Net (outgoing)/incoming resources	(214,067)	(415,779)
Interest receivable	(1,416)	(6,365)
Interest payable	26,656	19,289
Depreciation	74,553	70,458
Profit on disposal of fixed assets	(238,374)	-
Decrease in debtors	80,458	189,223
Decrease/ (Increase) in creditors	78,970	(71,461)
	<hr/>	<hr/>
Net cash inflow from operating activities	(193,220)	(214,635)
	<hr/>	<hr/>

**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 2020.

Springboard Sunderland have been financially involved in the football club during the prior 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 in the prior year for which it charged £1,738. The amount owed to Springboard Sunderland by the club at the year end was £39,452 (2019: £39,452).

**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 £98,751 (2019: £102,756) and disbursed £60,709 (2019: £22,719) and a balance of £211,934 (2019: £173,892) 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 £32,353 (2019: £54,698) and disbursed £3,564 (2019: £5,127) and a balance of £255,457 (2019: £226,668) remained in creditors at the year end.