

Registered number
2317743

EAST DURHAM COMMUNITY INITIATIVES LIMITED

Report and Accounts

31 March 2016

EAST DURHAM COMMUNITY INITIATIVES LIMITED
Report and accounts
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EAST DURHAM COMMUNITY INITIATIVES LIMITED
Company Information

Elected Trustees

D.D. Mercer - Chairperson
Mrs A Brown
D Brown - Vice Chairperson
Mrs O Guy

Secretary

Mrs A Brown

Accountants

Jacs Accountancy
35 Seaside Lane
Easington Colliery
Peterlee
Co Durham
SR8 3PG

Bankers

Barclays Bank
57 Fawcett Street
Sunderland
SR1 1SD

Solicitors

Murray Humphries
41 Church Street
Seaham
Co Durham
SR7 7EJ

Registered office

Jobling House
19 Vane Terrace
Seaham
Co Durham
SR7 7AU

Registered number

2317743

EAST DURHAM COMMUNITY INITIATIVES LTD
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016

Chairman's statement

Despite reductions in Government funding streams I can confirm that the consolidation and restructuring of our operations, in conjunction in inventive cost cutting exercises has resulted in another successful year for East Durham Community Initiatives. With regard to our charitable activities, just as in the previous year, local, county government departments, and independent grant funding has been harder to obtain. As a result, we have had to invest some of our reserves into keeping the services running, and this is naturally of great concern. However, we are determined that we will not be deflected from our overall aim of maintaining and improving our service provision for homeless young people in the East Durham area.

The trustees recognise the hard work and dedication of the staff in managing the services we provide both to individuals and to organisations, and we also know that none of this is achievable without the commitment and dedication that enables us to carry out these services. It is impossible to emphasise enough our gratitude to the staff who give so much of their time to support the local community. The trustees would also like to thank all the organisations who provided financial or voluntary support; with their help and with good management we have continued to deliver our core requirements, and so we offer sincere thanks to all our staff, volunteers, supporters and friends. Looking to the future, we have many new challenges, not least in the reduction in funding for the services we provide.

We will continue to be a responsible and accountable charity as this is an integral part of delivering our aims and objectives as stated in our articles of association, this not only reflected in our culture, but also in our approach to governance and delivering our services whilst observing our commitment to our charitable works. Our commitment to serve the local communities in which we operate is stronger than ever.

As the Chairman I have monitored and maintained a robust and effective system of internal controls and risk management, these processes are an essential part of EDCI governance strategy and a key part of operating as a responsible charity. I can confirm that the Board is committed to ensuring that we not only operate effectively, but that each Trustee remains committed to their role and continues to make a valuable contribution to the business.

As a Trust, We concede that this year has been one of consolidation in an environment of government cuts to our projects however we remain confident that we will be proactive in developing new strategies and take appropriate actions in order to continue to meet the changing needs of the community and securing new income streams which will enhance our long-term growth prospects in our areas of operation. This reflects our belief that we will continue to support our community in future years.

Derek D. Mercer
Chairman

Structure, Governance and Management

Governing Document

East Durham Community Initiatives Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 21 January 2010. It is registered as a charity with the Charity Commission. There are currently 6 members, each of whom, together with the subscribers, agrees to contribute £1 in the event of the charity winding up.

Recruitment and Appointment of Trustees

In accordance with the Articles of Association one member in three must retire at the Annual General Meeting. Accordingly David and Anita Brown will retire by rotation and, being eligible, offer themselves for re-election.

No remuneration was paid to the trustees during the year, nor was any expenses reimbursed to them.

Trustee Selection

All trustees are familiar with the practical work of the charity and have, also, been encouraged to consult the various Charity Commission publications signposted through the Commission's guide "The Essential Trustee" and the information sheets provided on the Commission's website.

In the forthcoming year, the trustees will seek to ensure appropriate training is provided for all members of the Trust and that proposals are brought forward to enhance the potential pool of the trustees. Training of trustees will be led by the Chairman and will cover:

The obligations of trustees.

The main documents which set out the operational framework for the charity including the Constitution.

Resourcing and the current financial position as set out in the latest published accounts.

Future plans and objectives.

Organisation

The board of trustees administers the charity. The board meets every month to discuss topics covering development, membership, finance, operational decisions and audit. A Chairman is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chairman has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and special project related activity.

Risk Management

The trustees actively review the major risks which the charity faces on a regular basis but manageable risk. To mitigate this calculated risk the trustees have been pro-active in researching new and innovative funding routes that will assist in increasing the financial reserves whilst maintaining our charitable objectives. The trustees will continue to examine and scan operational and business risks faced by the charity so pro active action can be taken to reduce or mitigate identified risks.

Objectives and activities

Ensuring our work delivers our aims

The Trustees review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

The main objectives for the year:

To continue to provide housing and support to those who are in need and the running of training programmes and related activities.

To actively seek grant funding for existing community projects and to seek new sources of funding to develop future projects to meet the changing needs of the under supported and vulnerable members of our community.

To be proactive in scanning the shortfalls in statutory obligations by developing community projects to address inequality, social exclusion and to raise the aspirations and quality of life for under supported and vulnerable members of our community.

A number of strategies were employed to achieve the charity's objectives. Within each of these strategies the aims are to:

Promote our existing services to additional referral sources to maximise the impact for the community and secure additional sources of funding streams;

Secure ongoing referrals from the main referral sources by seeking and maintaining a network partnership that will meet the aims and objectives of all service users;

Homeless Project: (Homebase)

Continue to maintain and pass the high levels of quality standards as stipulated in the Government's Quality Assessment framework to ensure the charity continually meets and exceeds the mandatory contractual requirements on these projects;

Continue to update our internal quality audit systems to ensure the charity is proactive in a regime of continuous improvement and evaluation of the services we offer and deliver;

Continue to design and improve our policies and systems to celebrate and promote equality and diversity for charity members, employees and all service users;

Further positive development of service user involvement by devising and implementing a service user strategy to meet the contractual requirements of the Government's Quality Assessment Framework.

How our activities deliver public benefit

Our main activities and who we try to help are described below. All our charitable activities focus on the provision of housing, support and training and are undertaken to further our charitable purposes for the public benefit.

The elements of public benefit range from:

Engaging and enhancing the learning opportunities and employment prospects of permanently excluded young people.

Assisting to reduce anti social behaviour in the community by engaging the service users in positive activities.

Improving the health and wellbeing of homeless young people in the district, by providing or facilitating accommodation based services that will enhance life and coping skills for them to sustain their own tenancies after periods of intense support.

Who used and benefited from our services?

The area of activity is the provision of housing;

Beneficiaries are:

16 to 25 year old female homeless young adult

Housing:

The charity still owns and manages an "at risk young female accommodation". At any one time the charity's accommodation holds 5 young females aged 16 to 25 years old who may be homeless and/or fleeing abuse.

The charity recognises that the revenue stream for this project is limited by the maximum number of bed spaces available. However progress has been made as we have secured a more realistic rent payment for the accommodation provided

We shall continue to support our staff by offering continuous training and counselling that will improve our service delivery to our service users.

Achievements and performance

Various performance measurement tools are also used to evaluate the Homeless Projects and again the charity is pleased to announce that in the last financial year we achieved:

A 95% occupancy rate at the accommodation, with a high proportion of young people moved onto full time education courses or employment, and 92% of our service users were able to continue to sustain their tenancy after the support period with us had ended.

Successfully received some small grant funding to assist with the running costs

Took steps and actions to reduce overheads to a sustainable level

Financial review

Please refer to the financial statements.
The charity will continue ensure a regime of regular monitoring of the reserves.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish. The trustees, having regard to the liquidity requirements of operating the charity and to the reserves policy have operated a policy of continuous monitoring and improvement.

Reserves policy

The charity's policy is to maintain sufficient liquid reserves to meet its operating costs and obligations for a 3 month period. The current reserves although reduced still meet this policy.

Plans for future periods

The charity is committed to maintaining and expanding existing community projects and will strive to meet its existing obligations whilst developing its fundraising strategy to meet future trends and appropriate development activities.

The trustees acknowledge that to maximise the benefits of its charitable activities, the charity's aims and objectives are evolving to enable it to continue to meet the diverse and changing needs of under-supported members of the community

Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charitable company at the balance sheet date and of its incoming resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:
Select suitable accounting policies and then apply them consistently;
Make sound judgments and estimates that are reasonable and prudent; and
Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The trustees 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. The trustees, who are directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 1. In accordance with company law, as the company's directors we certify that:

Accountants

A resolution will be proposed at the Annual General Meeting that Jacs Accountancy be appointed as accountants to the charity for the ensuing year. This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

By order of the trustees

EAST DURHAM COMMUNITY INITIATIVES LIMITED
Accountants' Report

Accountants' report to the trustees of
EAST DURHAM COMMUNITY INITIATIVES LIMITED

You consider that the company is exempt from an audit for the year ended 31 March 2016. You have acknowledged, on the balance sheet, your responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts. These responsibilities include preparing accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit or loss for the financial year.

In accordance with your instructions, we have prepared the accounts which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records of the company and on the basis of information and explanations you have given to us.

We have not carried out an audit or any other review, and consequently we do not express any opinion on these accounts.

Jacs Accountancy
Accountants

35 Seaside Lane
Easington Colliery
Peterlee
Co Durham
SR8 3PG

16 August 2016

EAST DURHAM COMMUNITY INITIATIVES LIMITED
Statement of Financial Activities
for the year ended 31 March 2016

| | Notes | Unrestricted Funds | Restricted Funds | 2016 £ | 2015 £ |
|---|--------------|-------------------------------|-----------------------------|-------------------|-------------------|
| Income | | | | | |
| Voluntary Income | 3 | 71,284 | - | 71,284 | 71,859 |
| Sales Income | | - | - | - | - |
| Activites Offered | | 49,551 | - | 49,551 | 43,865 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Incoming Resources | | 120,835 | - | 120,835 | 115,724 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Cost of sales | | | | (47) | (33) |
| Net Incoming Resources | | | | <hr/> 120,788 | <hr/> 115,691 |
| Administrative expenses | | | | (136,638) | (128,970) |
| Net Resources after Expenditure | 4 | | | <hr/> (15,850) | <hr/> (13,279) |
| Exceptional items: profit on the disposal of tangible fixed assets | | | | - | 32,572 |
| | | | | <hr/> (15,850) | <hr/> 19,293 |
| Investment Income | | | | | |
| Interest receivable | | | | 71 | 44 |
| Net Movement in Funds prior to Taxation | | | | <hr/> (15,779) | <hr/> 19,337 |
| Tax on (loss)/profit on ordinary activities | | | | - | - |
| Net Movement in Funds in the Financial Year | | | | <hr/> (15,779) | <hr/> 19,337 |

EAST DURHAM COMMUNITY INITIATIVES LIMITED
Balance Sheet
as at 31 March 2016

| | Notes | 2016 £ | 2015 £ |
|---|-------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 5 | 14,056 | 15,012 |
| Current assets | | | |
| Cash at bank and in hand | | 34,488 | 49,149 |
| Creditors: amounts falling due within one year | 6 | (590) | (428) |
| Net current assets | | <u>33,898</u> | <u>48,721</u> |
| Net assets | | <u>47,954</u> | <u>63,733</u> |
| Capital and reserves | | | |
| Unrestricted Funds | 7 | 47,954 | 63,733 |
| Total Funds | | <u>47,954</u> | <u>63,733</u> |

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

Members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

D D Mercer
 Director

Approved by the board on 31 August 2016

EAST DURHAM COMMUNITY INITIATIVES LIMITED

Notes to the Accounts

for the year ended 31 March 2016

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Incoming Resources from grants, which are related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Donated services are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these financial statements.

Trading income is included as it is received.

Rental income is included when receivable.

Placement income is included as it is invoiced.

Investment income is included when receivable.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

| | |
|---------------------|-------------------|
| Freehold Property | 2% straight line |
| Plant and machinery | 25% straight line |
| Motor vehicles | 25% straight line |

Funding Accounting

Unrestricted Funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by their donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Transfer between funds represent fixed assets that have been paid for in the year out of restricted funds.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

EAST DURHAM COMMUNITY INITIATIVES LIMITED
Notes to the Accounts
for the year ended 31 March 2016

2 Legal Status

East Durham Community Initiatives Ltd is a company limited by guarantee and as such has no share capital. In the event of the charitable company being wound up, the trustees would be required to contribute an amount not exceeding £1. There was 4 trustees at 31st March 2016. (2015 - 5)

3 Voluntary Income

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>2016</u> <u>Total</u> | <u>2015</u> <u>Total</u> |
|-----------------------|---------------------|-------------------|-----------------------------|-----------------------------|
| Grants | | | | |
| Durham County Council | 71,284 | | 71,284 | 71,359 |
| Percy Bilton | | | | 500 |
| Donations | | | | |
| | <u>71,284</u> | <u>-</u> | <u>71,284</u> | <u>71,859</u> |

4 Operating profit

| | | |
|------------------------------------|--------------|--------------|
| | 2,016 | 2,015 |
| | £ | £ |
| This is stated after charging: | | |
| Depreciation of owned fixed assets | <u>956</u> | <u>956</u> |

EAST DURHAM COMMUNITY INITIATIVES LIMITED
Notes to the Accounts
for the year ended 31 March 2016

5 Tangible fixed assets

| | Land and buildings £ | Plant and machinery etc £ | Motor vehicles £ | Total £ |
|-----------------------|-------------------------------------|--|---------------------------------|--------------------|
| Cost | | | | |
| At 1 April 2015 | 25,123 | 34,554 | 2,000 | 61,677 |
| At 31 March 2016 | <u>25,123</u> | <u>34,554</u> | <u>2,000</u> | <u>61,677</u> |
| Depreciation | | | | |
| At 1 April 2015 | 11,611 | 34,554 | 500 | 46,665 |
| Charge for the year | 456 | - | 500 | 956 |
| At 31 March 2016 | <u>12,067</u> | <u>34,554</u> | <u>1,000</u> | <u>47,621</u> |
| Net book value | | | | |
| At 31 March 2016 | <u>13,056</u> | <u>-</u> | <u>1,000</u> | <u>14,056</u> |
| At 31 March 2015 | <u>13,512</u> | <u>-</u> | <u>1,500</u> | <u>15,012</u> |

6 Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|-----------------|-------------------|-------------------|
| Trade creditors | <u>590</u> | <u>428</u> |

EAST DURHAM COMMUNITY INITIATIVES LIMITED
Notes to the Accounts
for the year ended 31 March 2016

| 7 Unrestricted Funds | 31.03.15 | Income | Expenditure | Transfer | 31.03.16 |
|-----------------------------|--|----------------|--------------------|-------------------|-----------------|
| | £ | £ | £ | | £ |
| General | <u>63,733</u> | <u>120,907</u> | <u>136,686</u> | <u> </u> | <u>47,954</u> |
| 8 Donors | <u>Description, nature and purpose of the fund</u> | | | | |

EAST DURHAM COMMUNITY INITIATIVES LIMITED**Detailed Income and Expenditure****for the year ended 31 March 2016***for the information of the directors only*

| | | 2016 | 2015 |
|--|---|-----------------|-----------------|
| | | £ | £ |
| Voluntary Income | 3 | 71,284 | 71,859 |
| Activites Offered | | 49,551 | 43,865 |
| Cost of goods sold | | (47) | (33) |
| Net Incoming Resources | | <u>120,788</u> | <u>115,691</u> |
| Administrative expenses | | (136,638) | (128,970) |
| Net Resources after Expenditure | | <u>(15,850)</u> | <u>(13,279)</u> |
| Exceptional items | | - | 32,572 |
| Interest receivable | | 71 | 44 |
| Net Movement in Funds prior to Taxation | | <u>(15,779)</u> | <u>19,337</u> |

EAST DURHAM COMMUNITY INITIATIVES LIMITED
Schedule to the Income and Expenditure
for the year ended 31 March 2016
for the information of the directors only

| | 2016 | 2015 |
|----------------------------------|----------------|----------------|
| | £ | £ |
| Incoming Resources | | |
| Income | <u>120,835</u> | <u>115,724</u> |
| Cost of sales | | |
| Purchases | <u>47</u> | <u>33</u> |
| Administrative expenses | | |
| Employee costs: | | |
| Wages and salaries | 108,862 | 104,958 |
| Staff training and welfare | - | 22 |
| Travel and subsistence | <u>2,500</u> | <u>1,547</u> |
| | <u>111,362</u> | <u>106,527</u> |
| Premises costs: | | |
| Rent & Rates | 1,975 | 3,455 |
| Light and heat | <u>7,213</u> | <u>5,642</u> |
| | <u>9,188</u> | <u>9,097</u> |
| General administrative expenses: | | |
| Telephone and fax | 1,258 | 1,257 |
| Stationery and printing | 859 | 515 |
| Subscriptions | 743 | - |
| Bank charges | 431 | 468 |
| Insurance | 2,817 | 2,941 |
| Repairs and maintenance | 7,592 | 5,443 |
| Depreciation | 956 | 956 |
| Sundry expenses | <u>68</u> | <u>367</u> |
| | <u>14,724</u> | <u>11,947</u> |
| Legal and professional costs: | | |
| Accountancy fees | 1,364 | 1,399 |
| | <u>1,364</u> | <u>1,399</u> |
| | <u>136,638</u> | <u>128,970</u> |



Independent Examiner's Report on the Accounts

| Section A | | Independent Examiner's Report | | | | | | | | | |
|---|---|-----------------------------------|---|--|--|--|--|--|--|--|--|
| Report to the trustees/members of | Charity Name | EAST DURHAM COMMUNITY INITIATIVES | | | | | | | | | |
| On accounts for the year ended | 3 1 0 3 . 1 6 | Charity no (if any) | <table border="1"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> | | | | | | | | |
| | | | | | | | | | | | |
| Set out on pages | (remember to include the page numbers of additional sheets) | | | | | | | | | | |
| Respective responsibilities of trustees and examiner | <p>The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. It is my responsibility to:</p> <ul style="list-style-type: none">• examine the accounts under section 145 of the Charities Act,• to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and• to state whether particular matters have come to my attention. | | | | | | | | | | |
| Basis of independent examiner's statement | <p>My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.</p> | | | | | | | | | | |
| Independent examiner's statement | <p>In connection with my examination, no matter has come to my attention (other than that disclosed below*):</p> <p>(1) which gives me reasonable cause to believe that in, any material respect, the requirements:</p> <ul style="list-style-type: none">• to keep accounting records in accordance with section 130 of the Charities Act;• to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or <p>(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.</p> <p>* Please delete the words in the brackets if they do not apply.</p> | | | | | | | | | | |
| Signed | | Date | 09 06 2017 | | | | | | | | |
| Name | JASON CROAN | | | | | | | | | | |
| Relevant professional qualification(s) or body (if any) | AAT | | | | | | | | | | |
| Address | 21 A Church Street Seaham County Durham SR7 7HQ | | | | | | | | | | |

Only complete if the examiner needs to highlight material problems

Give here brief details of any items that the examiner wishes to disclose

Nothing highlighted.