

Pennywell Youth Project
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2018

CENSIS

Chartered accountant
Exchange Building
66 Church Street
Hartlepool
TS24 7DN

Pennywell Youth Project
Company Limited by Guarantee
Financial Statements
Year ended 31 March 2018

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Pennywell Youth Project

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2018

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2018.

Reference and administrative details

Registered charity name Pennywell Youth Project

Charity registration number 1143789

Company registration number 7661145

Principal office and registered office St Thomas
Petersfield Road
Sunderland
SR4 9BB

The trustees

A Langton
P Smith
B Fearn
F W Chilton
S A Semley
T Smallwood
Rev J D Chadd (Appointed 25 April 2017)

Accountants Censis
Chartered accountant
Exchange Building
66 Church Street
Hartlepool
TS24 7DN

Structure, governance and management

Governing Document

Pennywell Youth Project has been a charitable organisation regulated by the constitution dated 16th September 1992 and amendments in 1994. It is a registered charity with the Charity Commission of England & Wales. The Trustees felt it beneficial that they should also be a Company Limited by Guarantee and was registered with Companies Houses on 7th June 2011, hence its new charity number. It is now governed by its Articles of Association.

Incorporation

The charity incorporated as a limited company on 7 June 2011 and gained charitable status on 13 September 2011.

Pennywell Youth Project

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Structure, governance and management *(continued)*

Appointment of Trustees

As stated in the Articles, the first Directors are those persons notified to Companies House as the first Directors of the Charity. A Director must be a natural person aged 16 years or older and support the Objects of the charity. No one may be appointed a Director if he or she would be disqualified from acting under the provisions of Article 18. The Directors shall not be less than three and (unless otherwise determined by ordinary resolution) shall be subject to a maximum of twelve. A Director may not appoint an alternate Director or anyone to act on his or her behalf at meetings of the Directors. The Director may appoint any person who is willing to be a director.

Directors Induction and Training

Most directors are already familiar with the practical work of the charity through accessing information and services and some have been involved with the project as volunteers for many years. Each new director will meet with the Chair Person who will carry out a formal induction process that includes; an overview of the Articles of Association, organisational structure, current policies and procedures, financial update and procedures and strategic project plans. Directors are also provided with training regarding roles and responsibilities as well as being invited to attend additional planning and training days that may arise throughout the year.

Organisational Structure

The director's meet regularly, usually every four weeks and is responsible for the strategic direction and policy of the charity. The director's delegate day to day responsibility to the Project Manager and ensures that financial and administrative procedures are adhered to and that the provisions of services are efficient and appropriate. In addition, specific roles and responsibilities are allocated to development workers who ensure action plans are met and that the team members continue to develop their skills and working procedures in line with good practice.

Related Parties

Pennywell Youth Project has strong relationships with statutory and voluntary organisations in terms of funding and support. These networks ensure that programmes are developed in partnership to meet the aims and objectives of the organisations as well as the needs of the local community.

Objectives and activities

The charity's objects are in the interests of social welfare to provide for the benefit of the Pennywell and surrounding areas, city-wide and regional to Tyne & Wear (area of benefit) a youth project the purpose of which is to:

- Promote therein and in the area of benefit and in particular to encourage provision for the benefit of the young people so as to relieve poverty, advance education and improve the condition of life for the said inhabitants.
- Redress all forms of inequality and to ensure equality of opportunity for all young people to fulfil their potential as empowered individuals and members of groups and communities, and to support young people during the transition to adulthood.

Pennywell Youth Project

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Objectives and activities *(continued)*

Charitable Objects and Mission

Pennywell Youth Project is an established community resource for young people designed to support them in their transition into adulthood and enhance their life chances and opportunities. We work with young people who face extreme disadvantage because of their economic and social position, have many daily complex challenges, and often lead chaotic and disorganised life styles, leading to risky lifestyle choices and being disproportionality at risk. Family structures are often fragmented and fragile resulting in young people lacking a sense of identity and self worth, experiencing poor outcomes, and failing to reach their full potential. We have recently amended our charitable objectives to include community provision including adult learning.

Need & Our Services

The Pennywell estate and families across St Anne's ward continue to experience high levels of deprivation with multi generation unemployment continuing in the neighbourhood and we provide early interventions for vulnerable or potentially vulnerable young people and adults through:

- children's play and youth work
- a range of formal and informal education, learning opportunities, and accredited training-employability programmes
- a community drop-in
- adult learning

Our Approach

Our model of working is to provide a seamless pathway from work with junior youth club members through to senior youth work leading into informal and formal education provision, training and employability skills work.

Established on the Pennywell estate in St Anne's ward for over 20 years, the charity has seen its progression and development from a small office into its own purpose built building over two floors in 1.4 acres of land. We have, and continue to, develop relationships with partner agencies and funders to maintain our role and reputation as a lead agency, being the lead partner on various funding bids and contracts to deliver projects and services to children, young people, and young adults across some of the most disadvantaged neighbourhoods on Wearside.

Our Values

Pennywell Youth Project's work with children, young people and young adults is about actively improving the life chances and experiences of young people and young adults. Our services are designed to improve outcomes for young people and the local community and underpinning this business plan is our commitment to:

- equality and inclusion through young people having a voice in influencing decisions that affect them and their community
- partnership work with a range of statutory and voluntary agencies to deliver a high quality and appropriate programme of support
- achieving the best value for available resources

Pennywell Youth Project

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Achievements and performance

New Horizons Project

In November 2017 we receive funding from the People's Health Trust to set up a cafe for local residents who faced social isolation through unemployment. The emphasis on the project was that it was a locally led community initiative with the support of a community engagement worker. The member of staff was recruited in November, following these discussions and consultations were held with adult users of the centre. Through this engagement initial volunteers were recruited, and potential participants were also identified and consulted with in the planning and set up of the project.

The initial planning stage was to redevelop the room that was identified as becoming the community café and this was completed in January. The whole room was transformed from a shell to a fully furnished and welcoming environment for members of the community to attend. An open day took place in January to launch and promote the opening of café, local members of the community attended, staff and volunteers co ordinated the launch.

The project has been promoted within the areas stated in the bid and this has been done through leaflets, posters, social media, job centre, word of mouth and through other community venues. These promotions are ongoing to ensure members of the community are aware and prompted that the project exists.

Volunteers have been recruited before and during the project. All volunteers that assist in the community café have undertaken an accredited food and hospitality qualification (with Northumbria College), Food Safety and have had DBS clearances. There is an Emergency first aid training qualification planned for the near future. The volunteers are supported each week to organise a rota and budget, plan and cook and clean. Participants are asked what food items they would like available on the menu and what workshops they want delivered each week. The volunteers have also been leading of the design and publicity of promotional materials and have facilitated a number of outreach sessions to project the New Horizons Project. A workshop has been facilitated with participants to discuss and agree ground rules for the cafe and the community room.

An important element of the volunteer's role is welcoming and offering support to participants of the project. This is done by providing a listening ear and a friendly chat discussing concerns and issues users may have. The volunteers also support individuals to use the ICT equipment for tasks such as job search.

From the launch date the Café has ran 2 sessions every Monday and Friday 11-2pm. These sessions are becoming more established within the community. Participants engage for a variety of reasons some of which include Job search, CV writing, job applications, reduce isolation, discuss issues that affect their lives, seek support and guidance from staff and other users.

Participants have also planted and are currently maintaining fruit and vegetables that they have planted and grew from seed in the community garden, which will be used for the community café and for local residents to take home when they are harvested. They have found this exercise extremely therapeutic.

The volunteers have taken a lead role in planning the menus with participants and they work on a budget for the sourcing and producing of the food items. They also shop, prepare and cook all food items with the support of the community engagement worker.

There are also a number of community days and outreach days planned in other local community

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

venues which will be used as an opportunity to promote the New Horizons Project for those who do not currently access our provision. We are also planning an open day over the summer.

More links with educational and training providers have been established and we are in the process of planning further educational and vocational courses to suit the needs of users, which will be held at Pennywell Youth Project, making it accessible for participants to attend.

The project has established itself well in the first 6 months. Participants have reported feeling welcomed and encouraged to be involved in all aspects of the project. Tasks are divided into areas of confidence and interest and rotas have been devised to ensure all tasks are completed and everyone gets an opportunity to be involved in different aspects of the planning, shaping and delivery of the project.

Participants have reported that if it wasn't for this project they wouldn't get out much. Others have commented that once you are through the door you gain confidence to access other aspects of the organisation's overall programme and this has increased social networks and friendships. Participants have also used our community room each week to continue friendships and it has become a social and safe place for them to meet. The room is managed and supervised by volunteers. Volunteering time has increased because of the New Horizons project and we have 13 volunteers contributing to 136 volunteer hours per week.

We have been overwhelmed by the amount of volunteers that the project has attracted and how much the New Horizons project has acted as a gateway for participants to access other programmes we deliver. Participants are very enthusiastic in attending courses that we have been facilitated outside of the café opening times including a Catering and Hospitality Course, CSCS training, Youth work programme, most of these is as a direct result of feedback from New Horizons participants wanting to have access to additional training. Volunteers have expanded their volunteering time to staff reception, support the delivery work with one of our school groups, run a coffee morning, junior provision, staffing the community room, supporting the art club and hosting afternoon tea events. They have also volunteered at community events and pledged their support for our summer programme which will include 2 more community events and a number of family fun days that we will be delivering in the local community centre in the summer holidays.

Pennywell Youth Project

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Achievements and performance *(continued)*

Youth Investment Fund

In May 2017 we secured funds from the Big Lottery: Youth Investment Fund to create and extended open access youth provision in the wards of St Annes, Sandhill, Barnes and Silksworth. Pennywell Youth Project (PYP) will use the funding to deliver opportunities for young people to access sports, education, training and employment across the whole of the west of Sunderland. We work in partnership with local youth providers who are already embedded in the community who have an understanding of local issues and areas of concern. This helps us share information and co-ordinate provision to avoid duplication and share resources, equipment buildings and staff. We sourced additional funding (Ballinger Trust) to sustain and support our services and invest in the training and development of our team and management structure.

All sessions were started from May 2017 and continued throughout the year. 96 open accessed centre-based youth sessions were delivered from Pennywell Youth Project. These were expanded and a further 144 open sessions were delivered in Barnes, Sandhill and Silksworth wards. Each ward delivered 13 holiday activities which totalled to 52 holiday provision sessions over the year.

We delivered 30 Health and Wellbeing workshops across the wards that were well resourced and certificated in house. Sessions included healthy eating, emotional and mental health, smoking, sports, garden and outdoor activities including laser quiz, coast steering, climbing, archery and fencing. Young People that participated received a recorded outcome and sessions were recorded on the IYSS database.

We delivered 24 Substance Misuse workshops across the wards that were up to date and relevant to young people and the issues of that particular area and sensitive to the environment. Session content included know your limits, staying safe, mocktail making, staying safe, units and strength and the law and alcohol. YDAP have delivered one of these sessions. Young People that participated received a recorded outcome and sessions were recorded on the IYSS database.

We created 36 sexual health related activities across wards that were well resourced, recorded and relevant. Young people have signed up to and continued to access the C-Card scheme, young people have also accessed Chlamydia screening, which we also provide. Workshop content has included sexual health, relationships and the law. Young People that participated received a recorded outcome and sessions were recorded on the IYSS database and the C-card online system.

Stepping Stones

Our weekend provision continues on a Friday, Saturday and Sunday and is well attended by young people. We have been working with a group of young people for nearly 2 years to raise money to pay for a volunteering expedition to The Gambia, West Africa, this trip will take place in November 2018. The weekend provision was quiet for a while, when the youth clubs began opening during the week the numbers soon picked up and staff discovered that many young people were under the impression that the youth club has closed down when our City of Sunderland commissioned youth work had ended. We have been on various out of centre activities over the last year visiting both local and regional beauty and tourist locations and sourcing activities that are either free or low cost. A lot of young people who have returned to the project were very boisterous and were constantly breaking the rules meaning staff were spending the whole session challenging behaviours, the young people are starting to understand why the rules are in place and the behaviour of the young people is improving as the weeks go by. The young people have engaged in various different cooking activities as this seems to calm the young people down and create a chilled out atmosphere as a lot of the young people generally are hungry when they come to the youth club. Staff have facilitated outreach where there were groups of 30 and 40 young people all drinking alcohol at the park, they were very happy to engage with the staff and very honest about what they were drinking and how they were getting it, staff spoke to them about staying safe and ensuring that nobody got hurt. In the centre pool competitions have been very popular as the young people asked for them in every session, we have

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Achievements and performance *(continued)*

delivered workshops regarding sex and relationships, sexual health, sex and the law, bullying, drugs and alcohol and internet safety. Young people designed a leaflet and with Community Safety Officers and once they were published there was a joint effort by young people, CSOs and staff to deliver them in the community. Staff have been completing Individual Learning Plans (ILPs) with young people providing one to one work when it has been needed.

Junior Provision

Our junior provision has been reduced to two evenings a week due to funding restrictions. This is funded by the BBC Children in Need fund and previous funding has been via Dickon Trust and Chapmans fund. We create a safe space where children can play and interact with the environment and others. We want our children to be inquisitive and develop a questioning relationship within their learning about themselves, their community, their world and others. We provide interventions that enable children and young people to extend their play so they can experiment, explore, and test themselves physically and emotionally within a social environment. This includes arts and craft, music, team games, sports, cooking and out of centre activities, life skills, health, citizenship and other related workshop.

Connect Programme

We have had a fantastic year delivering our commissioned academic programme with Sunderland College. All of our students achieved their Level One Employability Diploma. We provide a full academic year programme in partnership with Sunderland College delivering an Employability Diploma Maths and English GCSE. The programme targets young people aged 16-18 years, the vast majority of young people who enrol are young people live locally and the course provides a stepping stone to enable them to move on to further academic programmes, gain employment or undertake an apprenticeship.

One to one provision

We secured funding from the Sir James Knott Trust to provide early interventions and individual tailored support to vulnerable young people who have been identified as needing intensive one to one support for issues that are affecting them. We have supported the young person, their family and partner agencies to ensure young people have access to additional services and support.

Intensive early interventions have enabled young people to deal with some very difficult, complex issues which they are ill equipped to deal with on their own. Over the last year there has been an increase in young people with a range of complex issues that we are not able to support in the wider programmes that we deliver. Young people's families are chaotic and fragmented and they face a disproportionate amount of risk in their everyday lives. A one to one programme has provided support to a number of young people to address and critical issues affecting their young lives ranging from family issues, school exclusion, self harming, eating disorders, and substance misuse, to coming to terms with their sexual identity.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Financial review

All funds held by the charity have been applied to charitable purposes or for the necessary administrative and management support functions that are sanctioned by the Management Committee of Pennywell Youth Project. Any income, which has been allocated for the purpose of fixed assets, have been capitalised.

The fixed assets held by the charity are used solely for charitable purposes. Capital funds arise from donations that are held to be used to purchase fixed assets for use by the charity as deemed appropriate by the trustee's.

Funding has been provided through several main channels under the following headings:

- * Sunderland College
- * Sunderland City Council
- * Virgin Money Foundation
- * Hadrian Trust
- * Big Lottery Fund
- * Garfield Western
- * The Barbour Trust
- * Community Foundation
- * Sir James Knott Trust
- * Northumbria Police
- * The Langdale Trust
- * 29th May 1961 Charity
- * Angela Gallagher Memorial Fund
- * Balcombe Charitable Trust
- * Chapman's Fund - Community Foundation
- * De La Rue Charitable Trust
- * Dickon Trust - Community Foundation
- * Gateshead Council
- * Greggs Foundation
- * Hedley Foundation
- * Joan Strutt Charitable Trust
- * MVM Charitable Trust
- * Percy Bilton Charity
- * Satsuma
- * Sir Jules Thorn Charitable Trust
- * Swire Charitable Trust
- * Trust House

In order to secure sustainable programmes, because of long term funding; a proactive strategy of involvement with other agencies, both statutory and non-statutory, is being pursued to ensure that the Charity remains at the heart of the community in order to realise its objects and therefore maximise funding for the programme.

At 31 March 2018 the unrestricted reserves of the charity amounted to £56,662; the free reserves (that is those not tied up in fixed assets) amounted to £40,245.

Reserves policy

The directors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 3 to 6 months of the resources expended. At this

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

level, the directors feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how funding would be replaced or activities changed.

Investment policy

The Directors have the power to invest any funds not immediately required for its objectives, to obtain maximum profitability.

Risk Management

Pennywell Youth Project (PYP) is rooted within the local community and has delivered a broad range of services and opportunities to children and young people living in the St Anne's Ward for more than 30 years. Over the past eight years the organisation has consistently met, and in some instances, overachieved against its contracted targets. Our purpose built youth centre offers a safe, warm and emotionally secure environment to provide a range of programmes and activities to enhance young people's growth and development. Our building is open 7 days of the week, providing facilities and support for children and young people with diverse needs. Our building is well equipped and provides young people with facilities to enhance their personal, social, emotional, physical, and creative development. The layout of the building enables workers to undertake one-to-one work and issue-based group work sessions alongside mainstream youth club provision. Over the years PYP has invested considerably in the area and its young people and we have a history and relationship with the community. Over the past few years the Pennywell Youth Project has further developed local partnership working, sharing information and resources in response to local young people's needs and providing a forum for collaborative working to extend and enhance the range of services available to children and young people. Partnership working arrangements are underpinned by Service Level Agreements. Our staff have a range of qualifications that are updated through Continuous Professional Development. We do not rely on any single funding streams and apply to a diverse range of trusts, charities and foundations.

Our financial management system is to safeguard the funds secured by the business, its assets and financial stability. The management system allows the business to accurately report the financial and target driven outputs/outcomes to the various trusts that fund the organisation. Each year the accounts are independently audited and published on the charities commission website for public viewing and scrutiny and those of the last few years which include previous funders. The management system covers the following business responsibilities when receiving the grants and payment for goods and services.

- 1) Complete and current disclosure of a project's financial results
- 2) Create accounting records regarding the source of the grant award
- 3) Maintain accounting records for use of the grant funds (expenditures, obligations, assets, interest and income)
- 4) Manage accountability in regards to grant funds to be used specifically for the awarded project
- 5) Show written procedures for allocation of costs when following the grant award terms and conditions
- 6) Maintain cost accounting records

In addition to showing expenditures and uses of the grant awards, we may also engage in internal cost sharing and full cost recovery of the projects activities. With an effective management system, we can keep track of the grant award funds and matching business funds used for the project

Pennywell Youth Project
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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Financial review *(continued)*

The trustees' annual report and the strategic report were approved on 17 December 2018 and signed on behalf of the board of trustees by:

A Langton
Trustee

Pennywell Youth Project

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Pennywell Youth Project

Year ended 31 March 2018

I report to the trustees on my examination of the financial statements of Pennywell Youth Project ('the charity') for the year ended 31 March 2018.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

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

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

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

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Independent Examiner's Report to the Trustees of Pennywell Youth Project *(continued)*

Year ended 31 March 2018

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

A handwritten signature in purple ink that reads "Censis".

CENSIS
Chartered accountant

Exchange Building
66 Church Street
Hartlepool
TS24 7DN

Pennywell Youth Project

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 March 2018

		Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	49,049	245,418	294,467	264,557
Other trading activities	6	8,866	–	8,866	5,271
Total income		<u>57,915</u>	<u>245,418</u>	<u>303,333</u>	<u>269,828</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	7	2,746	–	2,746	–
Expenditure on charitable activities	8	83,327	232,350	315,677	238,149
Total expenditure		<u>86,073</u>	<u>232,350</u>	<u>318,423</u>	<u>238,149</u>
Net (expenditure)/income		<u>(28,158)</u>	<u>13,068</u>	<u>(15,090)</u>	<u>31,679</u>
Transfers between funds		6,200	(6,200)	–	–
Net movement in funds		<u>(21,958)</u>	<u>6,868</u>	<u>(15,090)</u>	<u>31,679</u>
Reconciliation of funds					
Total funds brought forward		<u>78,620</u>	<u>519,796</u>	<u>598,416</u>	<u>566,737</u>
Total funds carried forward		<u>56,662</u>	<u>526,664</u>	<u>583,326</u>	<u>598,416</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 27 form part of these financial statements.

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Statement of Financial Position
31 March 2018

		2018	2017
		£	£
Fixed assets			
Tangible fixed assets	13	473,826	490,110
Current assets			
Cash at bank and in hand		110,397	109,732
Creditors: amounts falling due within one year	14	897	1,426
Net current assets		109,500	108,306
Total assets less current liabilities		583,326	598,416
Net assets		583,326	598,416
Funds of the charity			
Restricted funds		526,664	519,796
Unrestricted funds		56,662	78,620
Total charity funds	16	583,326	598,416

For the year ending 31 March 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 17 December 2018, and are signed on behalf of the board by:

A Langton
Trustee

The notes on pages 17 to 27 form part of these financial statements.

Pennywell Youth Project
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 March 2018

	2018	2017
	£	£
Cash flows from operating activities		
Net (expenditure)/income	(15,090)	31,679
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	19,886	18,892
<i>Changes in:</i>		
Trade and other debtors	—	4,389
Trade and other creditors	(529)	724
Cash generated from operations	<u>4,267</u>	<u>55,684</u>
Net cash from operating activities	<u>4,267</u>	<u>55,684</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,602)	(6,696)
Net cash used in investing activities	<u>(3,602)</u>	<u>(6,696)</u>
Net increase in cash and cash equivalents	665	48,988
Cash and cash equivalents at beginning of year	<u>109,732</u>	<u>60,744</u>
Cash and cash equivalents at end of year	<u>110,397</u>	<u>109,732</u>

The notes on pages 17 to 27 form part of these financial statements.

Pennywell Youth Project

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Thomas, Petersfield Road, Sunderland, SR4 9BB.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Pennywell Youth Project

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	-	2% straight line
Equipment	-	25% reducing balance

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Limited by guarantee

Pennywell Youth is a company limited by guarantee and accordingly does not have any share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
Donations	6,010	—	6,010
Catherine Cookson	250	—	250
Exilarch's Foundation	200	—	200
R S Brownless	200	—	200
Syder Trust	2,000	—	2,000

Pennywell Youth Project

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Grants			
Connect Sunderland College	–	45,587	45,587
Hospital of God Greatham	–	3,000	3,000
Commissioning Sunderland Council	4,389	–	4,389
The Rothley Trust	1,100	–	1,100
DCR Allen Charitable Trust	2,500	–	2,500
Sunderland Council Public Health	–	14,992	14,992
Lloyds Foundation	–	22,298	22,298
Sir John Preistman	5,000	–	5,000
Robert Gavron	1,800	–	1,800
Hartley Charitable Trust	5,000	–	5,000
Mirianog Trust	1,000	–	1,000
BBC Children in Need	–	15,124	15,124
Big Lottery - Stepping Stones	–	39,958	39,958
Big Lottery - YIF	–	76,212	76,212
Ballinger Charitable Trust	8,000	–	8,000
LA7	3,000	–	3,000
Virgin Money	100	–	100
Sir James Knott Trust	–	5,000	5,000
Sunderland Council Public Health	–	10,000	10,000
Sir Jules Thorn	–	750	750
The 29th May Charitable Trust	4,000	–	4,000
Sunderland City Council - SIB West	–	12,076	12,076
Holiday Hunger Sunderland City Council	4,500	–	4,500
Sunderland City Council	–	421	421
	<u>49,049</u>	<u>245,418</u>	<u>294,467</u>

Pennywell Youth Project
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations	10,519	–	10,519
Joan Strutt Charitable Trust	250	–	250
Angela Gallagher	–	500	500
Satsuma	1,600	–	1,600

Pennywell Youth Project

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Grants			
Connect Sunderland College	5,660	46,656	52,316
Greggs Trust	—	2,000	2,000
Langdale Trust	4,000	6,000	10,000
The Rest Harrow Trust	—	100	100
Trust House	—	7,000	7,000
MVM Charitable Trust	—	300	300
Percy Bilton Charitable Trust	—	3,503	3,503
First Utility	—	5,000	5,000
Garfield Weston	—	5,000	5,000
Commissioning Sunderland Council	27,061	—	27,061
Big Lottery - Stepping Stones	—	39,958	39,958
LA7	19,300	—	19,300
Virgin Money	—	40,000	40,000
Community Foundation	—	7,000	7,000
Hadrians Trust	—	5,800	5,800
Hedley Foundation	—	3,000	3,000
Barbour Trust	—	5,000	5,000
Sir Jules Thorn	—	600	600
Community Chest	—	750	750
The 29th May Charitable Trust	4,000	—	4,000
De La Rue Charitable Trust	—	1,000	1,000
The Swire Charitable Trust	—	2,500	2,500
Academy 360	1,800	—	1,800
Holiday Hunger Sunderland City Council	—	5,500	5,500
Mental Health Sunderland City Council	—	3,200	3,200
	<u>74,190</u>	<u>190,367</u>	<u>264,557</u>

Pennywell Youth Project

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

6. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Fundraising events	4,661	—	4,661
Tuck shop	1,428	—	1,428
SOFC	1,750	—	1,750
Room hire	460	—	460
Other	567	—	567
	<u>8,866</u>	<u>—</u>	<u>8,866</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Fundraising events	210	—	210
Tuck shop	2,306	—	2,306
Room hire	1,210	—	1,210
Other	1,245	300	1,545
	<u>4,971</u>	<u>300</u>	<u>5,271</u>

7. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Tuck shop	2,336	2,336	—	—
Staging events - purchases	410	410	—	—
	<u>2,746</u>	<u>2,746</u>	<u>—</u>	<u>—</u>

Pennywell Youth Project

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
General Fund	79,725	–	79,725
Virgin Money Foundation	–	14,601	14,601
Stepping Stones	–	36,910	36,910
Sunderland Council Mental Health/One to One work	–	551	551
LA7	3,602	–	3,602
Connect	–	61,588	61,588
Pennywell Youth Project Building	–	15,036	15,036
Youth Investment Fund	–	45,383	45,383
BBC Children In Need	–	9,242	9,242
People's Health Trust	–	8,189	8,189
Lloyds Foundation	–	22,298	22,298
SIB West	–	17,802	17,802
Adult Learning	–	750	750
	<u>83,327</u>	<u>232,350</u>	<u>315,677</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
General Fund	3,856	–	3,856
Junior Provision	–	22,350	22,350
Virgin Money Foundation	–	43,282	43,282
Stepping Stones	–	54,128	54,128
Schools Out Fun Club	–	4,800	4,800
Sunderland Council Mental Health/One to One work	–	541	541
Sunderland Council Holiday Hunger	–	1,039	1,039
LA7	19,300	–	19,300
Connect	–	46,656	46,656
Commissioning Sunderland Council	27,061	–	27,061
Small Grants	–	100	100
Pennywell Youth Project Building	–	15,036	15,036
	<u>50,217</u>	<u>187,932</u>	<u>238,149</u>

Pennywell Youth Project

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

9. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	<u>19,886</u>	<u>18,892</u>

10. Independent examination fees

	2018	2017
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>840</u>	<u>840</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	169,884	145,668
Social security costs	5,160	8,988
Employer contributions to pension plans	<u>—</u>	<u>42</u>
	<u>175,044</u>	<u>154,698</u>

The average head count of employees during the year was 8 (2017: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Charitable activities	<u>8</u>	<u>8</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

Pennywell Youth Project

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

13. Tangible fixed assets

	Long leasehold property £	Equipment £	Total £
Cost			
At 1 April 2017	751,809	246,390	998,199
Additions	—	3,602	3,602
At 31 March 2018	<u>751,809</u>	<u>249,992</u>	<u>1,001,801</u>
Depreciation			
At 1 April 2017	279,374	228,715	508,089
Charge for the year	15,036	4,850	19,886
At 31 March 2018	<u>294,410</u>	<u>233,565</u>	<u>527,975</u>
Carrying amount			
At 31 March 2018	<u>457,399</u>	<u>16,427</u>	<u>473,826</u>
At 31 March 2017	<u>472,435</u>	<u>17,675</u>	<u>490,110</u>

14. Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	702	702
Other creditors	195	724
	<u>897</u>	<u>1,426</u>

15. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £Nil (2017: £42).

16. Analysis of charitable funds

Unrestricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
General funds	78,620	38,450	(82,471)	6,200	40,799
LA7	—	3,000	(3,602)	—	(602)
Commissioning Sunderland Council	—	16,465	—	—	16,465
	<u>78,620</u>	<u>57,915</u>	<u>(86,073)</u>	<u>6,200</u>	<u>56,662</u>

Pennywell Youth Project

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

16. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Virgin Money Foundation	13,888	–	(14,601)	–	(713)
Stepping Stones	25,153	42,958	(36,910)	–	31,201
Sunderland Council					
Mental Health/ One to One Work	2,659	5,000	(551)	–	7,108
Sunderland Council					
Holiday Hunger	3,461	–	–	(3,461)	–
Connect	–	45,587	(61,588)	(1,000)	(17,001)
Small grants	2,200	–	–	–	2,200
Pennywell Youth Project Building	472,435	–	(15,036)	–	457,399
BBC Children in Need	–	15,124	(9,242)	–	5,882
Youth Investment Fund	–	76,212	(45,383)	–	30,829
People's Health Trust	–	24,992	(8,189)	(1,739)	15,064
Lloyds Foundation	–	22,298	(22,298)	–	–
SIB West	–	12,076	(17,802)	–	(5,726)
Sunderland Council SIB	–	421	–	–	421
Adult Learning	–	750	(750)	–	–
	<u>519,796</u>	<u>245,418</u>	<u>(232,350)</u>	<u>(6,200)</u>	<u>526,664</u>

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	16,417	457,409	473,826	490,110
Current assets	41,142	69,255	110,397	109,732
Creditors less than 1 year	(897)	–	(897)	(1,426)
Net assets	<u>56,662</u>	<u>526,664</u>	<u>583,326</u>	<u>598,416</u>