

SPRINGBOARD SUNDERLAND TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

Registered Charity Number: 519650
Company Number: 02121694

SPRINGBOARD SUNDERLAND TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

REFERENCE AND ADMINISTRATION DETAILS

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

SPRINGBOARD SUNDERLAND TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2018

Directors Report 2017 - 2018

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 2018. 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.

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:

Jonathan Nicholson
John Colin Wilson
Denise Wilson
Michael Thurlbeck (resigned 11 December 2017)
William Jackson (resigned 11 December 2017)
Ian Alan Burke (appointed 9 November 2018)

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 2018

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 since Colin Wilson has significant control of the football club and is a Trustee of Springboard Sunderland Trust for the year ended 31 July 2018.

Introduction

The organisation underwent a major restructure in this period with the appointment of a senior management team comprising Chief Executive and Heads of Business Development, Operations, Performance and Finance. Each department had its own strategic objectives which linked to the Trust's overall strategic plan.

In this financial year to 31 July 2018, 1975 people were active on mainstream programmes, of which 1271 were with Springboard on a range of programmes and 704 with our partner subcontractors.

Strategic Report

Financial Review

The overall income of the Trust for the year was £4,341,474. This is a decrease on the last financial year. Our overall expenditure was £4,478,246 which includes staff costs of £1,980,116. An operating deficit of £136,772 is recorded.

At the year end the overall fund balance of the Trust stood at £1,679,104, represented in a large part by freehold properties owned by us and used to further our activities. The long term strategy of Springboard in terms of property and resource management in areas of development has proved again to be effective and sustainable.

Achievements and Performance

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

A number of indicators showed improvement in the year including:

- Adult Skills progression to full time employment rose from 15% to 17%
- Springboard Apprenticeships success rose from 77% to 79%
- Adult Skills achievement rates rose from 77% to 85%

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

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

The Hetton Hub was opened in a partnership with Sunderland City Council. The centre will provide learning and social opportunities for unemployed and socially excluded people.

SPRINGBOARD SUNDERLAND TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2018

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

Staffing

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

Staff numbers in 2017/18 averaged 118 including apprentices, down on 135 in 2016/17.

Principal risks and uncertainties

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

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

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

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

Future Plans

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

A new specialist college type facility is planned for the Southwick Farm site, which has been closed for a number of years. The Springboard Futures project would provide work related learning for a number of young adults with autism. Signal is to be embedded into all programmes to enable the organisation to track changes to learner groups and individual learners.

An increase in marketing and promotion of the organisation is planned to raise profile, attract more learners and seek an increase in charitable funds.

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

Reserves Policy

The Trustees consider that the ideal level of reserves as at 31st July 2018 would be £850k. This has been set as 3 months core costs expenditure. The actual level of free reserves as at 31 July 2018 is £287k 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 would allow us to meet our responsibilities. Therefore the Trustees are confident that there are no material risks to the Trusts ability to operate as a going concern.

SPRINGBOARD SUNDERLAND TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2018

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 26/4/2019 and signed on its behalf by



Director

J Nicholson

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 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

21 April 2019

SPRINGBOARD SUNDERLAND TRUST

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2018**

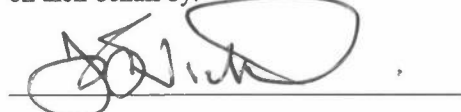
	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income from:					
Investment income		1,147	-	1,147	128
Charitable activities	2	4,286,375	53,952	4,340,327	5,544,808
Total incoming resources		<u>4,287,522</u>	<u>53,952</u>	<u>4,341,474</u>	<u>5,544,936</u>
Expenditure on:					
Charitable activities		4,424,294	53,952	4,478,246	5,513,097
Total expenditure	3	<u>4,424,294</u>	<u>53,952</u>	<u>4,478,246</u>	<u>5,513,097</u>
Net (expenditure)/income	4	(136,772)	-	(136,772)	31,839
Gross transfers between funds		-	-	-	-
Net movement in funds		<u>(136,772)</u>	<u>-</u>	<u>(136,772)</u>	<u>31,839</u>
Reconciliation of funds					
Total funds brought forward		1,815,876	-	1,815,876	1,784,037
Total funds carried forward		<u>1,679,104</u>	<u>-</u>	<u>1,679,104</u>	<u>1,815,876</u>

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

SPRINGBOARD SUNDERLAND TRUST
Company no: 02121694
BALANCE SHEET AS AT 31 JULY 2018

	Note	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	7		<u>2,161,198</u>		<u>2,222,050</u>
Current assets					
Debtors	8	463,725		482,844	
Cash at bank and in hand		<u>920,815</u>		<u>859,584</u>	
		1,384,540		1,342,428	
Liabilities					
Creditors: amounts falling due within one year	9	<u>(1,866,634)</u>		<u>(998,390)</u>	
Net current (liabilities)/assets			<u>(482,094)</u>		<u>344,038</u>
Total assets less current liabilities			1,679,104		2,566,088
Creditors: amounts falling due after one year	10		<u>-</u>		<u>(750,212)</u>
Net assets			<u>1,679,104</u>		<u>1,815,876</u>
Funds					
Unrestricted funds					
Designated funds	12/13	1,392,078		1,391,519	
General funds	12/13	<u>287,026</u>		<u>424,357</u>	
Total charity funds			<u>1,679,104</u>		<u>1,815,876</u>

The financial statements were approved, and authorised for issue, by the directors on 26/4/2019 and signed on their behalf by:



Director

J Nicholson

SPRINGBOARD SUNDERLAND TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2018

	<i>Notes</i>	2018 £	2017 £
Net cash flows from operating activities	16	140,519	556,386
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,147	128
Interest paid		(19,024)	(19,739)
Payments to acquire tangible fixed assets		-	-
Proceeds from sale of tangible fixed assets		-	-
NET CASH USED IN INVESTING ACTIVITIES		(17,877)	(19,611)
TAXATION		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		(61,411)	(67,312)
Repayment of finance leases		-	-
NET CASH (USED IN) FINANCING ACTIVITIES		(61,411)	(67,312)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		61,231	469,463
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		859,584	390,121
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		920,815	859,584

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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

Springboard Sunderland Trust has unrestricted funds of £287,026 at 31 July 2018, excluding the designated fund. The directors have prepared profit and loss and cash flow forecasts that support the going concern assumption and are therefore confident that Springboard will be able to settle liabilities including loan repayments as they fall due. In the event that the Trust found itself facing difficult financial circumstances the income from the sale of property would allow the Trust to meet our responsibilities. Therefore the trustees consider it appropriate to prepare the financial statements on a going concern basis.

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.

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.

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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 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.

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

2 Charitable activities

	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Education & Skills Funding Agency	-	3,847,111	3,847,111	4,964,825
24+ loans	-	17,151	17,151	198,001
Schools exclusion and other contract income	-	41,335	41,335	1,937
Revenue from nursery, Bistro and Upstream	-	128,754	128,754	121,298
City of Sunderland - Nursery Grants	-	92,295	92,295	107,938
City of Sunderland – Other Grants	-	24,570	24,570	-
DWP – Journey 2 Employment	53,952	-	53,952	-
Hartlepool Borough Council	-	994	994	4,036
Gateshead Council	-	6,000	6,000	15,900
Trainee Bursaries	-	74,620	74,620	92,290
Other income	-	47,946	47,946	28,681
Rent	-	5,599	5,599	9,902
Total	53,952	4,286,375	4,340,327	5,544,808

The income from Charitable Activities in 2017 all related to unrestricted funds.

SPRINGBOARD SUNDERLAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

3 Total resources expended

	Training & education £	Governance £	2018 £	2017 £
Staff costs (Note 5)	1,980,116	-	1,980,116	1,972,792
Trainee allowances	93,338	-	93,338	96,382
Bursary	48,568	-	48,568	65,551
Premises costs	319,358	-	319,358	327,504
Travel and subsistence	71,808	-	71,808	70,552
Training costs and staff training	105,454	-	105,454	102,875
Health & Safety	59,269	-	59,269	44,655
Materials	123,178	-	123,178	118,527
Professional services	112,957	14,000	126,957	96,633
Interest payable	19,024	-	19,024	19,739
Irrecoverable VAT	92,862	-	92,862	82,702
Sub-contractor costs	1,339,877	-	1,339,877	2,400,192
Depreciation	60,852	-	60,852	75,123
Bad debts	15,000	-	15,000	16,011
Other	22,585	-	22,585	23,859
Total resources expended	4,464,246	14,000	4,478,246	5,513,097

The expenditure in 2018 relates to £53,952 restricted funds and £4,424,294 unrestricted funds (2017: all expenditure related to unrestricted funds).

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FOR THE YEAR ENDED 31 JULY 2018

4 Net (expenditure)/income for the year

This is stated after charging:

	2018 £	2017 £
Depreciation - owned assets	60,852	75,123
Interest payable		
• loan interest	19,024	19,739
Operating lease rentals:		
• property	66,600	66,600
Auditors' remuneration		
• RSM UK Audit LLP	10,000	15,000
• RSM UK Tax and Accounting Limited	-	3,000
	<u>-</u>	<u>3,000</u>

5 Staff costs and numbers

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	1,807,252	1,808,046
Social security costs	129,035	119,241
Pension contributions	43,829	45,505
Redundancy costs	-	-
	<u>-</u>	<u>-</u>
	<u>1,980,116</u>	<u>1,972,792</u>

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

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

	2018 No.	2017 No.
Training & education	86	84
Apprentices	32	51
	<u>118</u>	<u>135</u>

Directors

During the year, no director received any remuneration (2017: £nil). There were no reimbursed expenses payable to directors during the year (2017: £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 £437,947 (2017: £347,605).

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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
	£	£	£	£	£
Cost					
At the start of the year	3,042,720	233,900	364,074	73,792	3,714,486
Additions in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
At the end of the year	<u>3,042,720</u>	<u>233,900</u>	<u>364,074</u>	<u>73,792</u>	<u>3,714,486</u>
Depreciation					
At the start of the year	820,670	233,900	364,074	73,792	1,492,436
Charge for the year	60,852	-	-	-	60,852
Disposals in year	-	-	-	-	-
At the end of the year	<u>881,522</u>	<u>233,900</u>	<u>364,074</u>	<u>73,792</u>	<u>1,553,288</u>
Net book value					
At the end of the year	<u>2,161,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,161,198</u>
At the start of the year	<u>2,222,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,222,050</u>

Included within the net book value of £2,161,198 for freehold and long leasehold property is £1,590,596 which relates to long leasehold properties.

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8 Debtors

	2018 £	2017 £
Debtors falling due within one year		
Trade Debtors	298,891	291,633
Other Debtors	122,632	132,028
Prepayments	42,202	59,183
	<u>463,725</u>	<u>482,844</u>

9 Creditors: amounts due within one year

	2018 £	2017 £
Bank loan - repayable within one year	769,120	80,319
Other creditors	1,060,596	865,291
Social Security and Other Taxes	36,918	52,780
	<u>1,866,634</u>	<u>998,390</u>

Included within Other Creditors is £35,670 deferred income (2017: £nil) relating to 2018/19 funding received in advance.

10 Creditors: amounts due after one year

	2018 £	2017 £
Bank loan		
repayable within one to two years	-	80,319
repayable within two to five years	-	669,893
repayable over five years	-	-
	<u>-</u>	<u>750,212</u>

The bank loan in the year is from Barclays and is repayable by monthly instalments and bears interest at 1.95% plus base rate 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 disclosed as due in less than one year, as the terms of the loan agreement were that renegotiation of the loan is due on its 5th anniversary, being 30 April 2019. The renegotiation is complete with the loan being credit sanctioned by Barclays. The new loan will be repayable over a 10 year term at a fixed rate of interest.

SPRINGBOARD SUNDERLAND TRUST
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FOR THE YEAR ENDED 31 JULY 2018

11 Financial Instruments

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

	2018	2017
	£	£
Financial assets		
Debt instruments measured at amortised cost:		
Trade Debtors	298,891	291,633
Other Debtors	<u>122,632</u>	<u>132,028</u>
Total	<u>421,523</u>	<u>423,661</u>
 Financial liabilities		
Measured at amortised cost:		
Bank loans	769,120	830,531
Other Creditors	<u>1,060,596</u>	<u>865,291</u>
Total	<u>1,829,716</u>	<u>1,695,822</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 £
Designated funds:					
Fixed Asset Fund	1,391,519	-	-	559	1,392,078
Total designated funds	1,391,519	-	-	559	1,392,078
Summary of Funds					
Designated Funds	1,391,519	-	-	559	1,392,078
General Funds	424,357	4,287,522	(4,424,294)	(559)	287,026
	1,815,876	4,287,522	(4,424,294)	-	1,679,104
Restricted Funds	-	53,952	(53,952)	-	-
	1,815,876	4,341,474	(4,478,246)	-	1,679,104

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 DWP- Journey 2 Employment income received. This has been fully utilised in the period.

Year ended 31 July 2017

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Designated funds:					
Fixed Asset Fund	1,399,330	-	-	(7,811)	1,391,519
Total designated funds	1,399,330	-	-	(7,811)	1,391,519
Summary of Funds					
Designated Funds	1,399,330	-	-	(7,811)	1,391,519
General Funds	384,707	5,544,936	(5,513,097)	7,811	424,357
	1,784,037	5,544,936	(5,513,097)	-	1,815,876
Restricted Funds	-	-	-	-	-
	1,784,037	5,544,936	(5,513,097)	-	1,815,876

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13 Analysis of net assets between funds

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

Year ended 31 July 2017

	Designated funds £	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	2,222,050	-	-	2,222,050
Net current assets	(80,319)	-	424,357	344,038
Long-term liabilities	(750,212)	-	-	(750,212)
Net assets at the end of the year	1,391,519	-	424,357	1,815,876

14 Other financial commitments

	2018 £	2017 £
Operating leases which expire:		
Within one year	46,667	66,600
Within one to two years	-	-
Within two to five years	-	-
	46,667	66,600

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 £43,829 (2017: £45,505) and all related to unrestricted funds. Amounts outstanding of £4,070 (2017: £5,001) are included in other tax and social security creditor at the year end.

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

	2018 £	2017 £
Net (outgoing)/incoming resources	(136,772)	31,839
Interest receivable	(1,147)	(128)
Interest payable	19,024	19,739
Depreciation	60,852	75,123
Decrease in debtors	19,119	232,657
Increase in creditors	179,443	197,156
Net cash inflow from operating activities	140,519	556,386

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 2018.

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

Springboard Sunderland provided printing services for which it charged £nil (2017: £487), and made sponsorship payments to the club of £2,638 (2017: £6,000). The amount owed to Springboard Sunderland by the club at the year end was £37,714 (2017: £36,076).

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 £70,115 (2017: £99,793) and disbursed £22,948 (2017: £49,024) and a balance of £104,493 (2017: £64,337) remained in creditors at the year end.

In addition, the charity acts as an agent in the administering of Apprenticeship Grants for Employers Funds from the SFA. In the year it received £45,500 (2017: £72,000) and disbursed £47,500 (2017: £64,500) and a balance of £5,500 (2017: £7,500) 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 £97,545 (2017: £124,495) and disbursed £23,255 (2017: £20,519) and a balance of £178,266 (2017: £103,976) remained in creditors at the year end.