

Charity Registration No. 1086393

Company Registration No. 04055338 (England and Wales)

LANGDON COMMUNITY
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

LANGDON COMMUNITY
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr N Henry Mr M Blane (appointed 21 June 2018) Mr G Rubin Mr N Sugarman (resigned 21 June 2018)
Chief Executive	Mr N Taylor (Interim from 20 September 2018, permanent from 1 March 2019) Mr G Skovron (resigned 20 September 2018)
Company Secretary	Mr B Shine (appointed 14 May 2018) Mr S Bailey (resigned 3 May 2018)
Charity number:	1086393 (England and Wales)
Company number	04055338 (England and Wales)
Principal address	Ground Floor Camrose House 2a Camrose Avenue Edgware HA8 6EG
Registered Office	Ground Floor Camrose House 2a Camrose Avenue Edgware HA8 6EG
Auditor	Crowe U.K. LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
Bankers	Lloyds TSB 7 th Floor 40 Spring Gardens Manchester M2 1EN

LANGDON COMMUNITY
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS

	Page
Trustees' Annual Report	1-5
Independent auditor's report	6-7
Statement of financial activities	8
Balance sheet	9
Statement of cashflows	10
Notes to the accounts	11-19

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Charity information

The Trustees present their annual report and the financial statements for the year ended 31 December 2018. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with Langdon Community's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS102).

Reference and administrative details

Langdon Community is a registered charity (No. 1086393) and a company limited by guarantee and not having share capital (No. 04055338) the registered office is as shown on the legal and administrative information page.

The Trustees on the date of this report are as follows: -

Mr N Henry	Chairman
Mr M Blane	
Mr G Rubin	

The current Trustees have the power to remove and appoint Trustees, as does The Langdon Foundation. There is a minimum of 3 and a maximum number of 10 Trustees who may be appointed to the Management Board.

The Management Team of the charity is:

Mr N Taylor	Chief Executive
Ms N Ramguttay	Service Manager - Supported Living Edgware/Borehamwood
Ms C Moffatt	Service Manager - Supported Living Manchester

The work of Community is supported by the Langdon Group:

Mr B C Shine	Finance Director & Company Secretary
Mrs S Pollins	Director of Fundraising & Marketing
Mr R Fortune	Housing Manager
Mrs E Russell	HR Manager
Mrs S Goldman	Interim Head of Manchester Support Services

The external advisers of Langdon Community are as set out on the legal and administrative information page.

Structure, governance and management

Langdon Community incorporated and established Memorandum and Articles of Association on 18th August 2000. This was amended in May 2007 and again in March 2011.

The Board of Trustees is responsible for the overall governance of Langdon Community as a charity. Trustees are co-opted by the existing Board of Trustees or nominated by the Trustees of The Langdon Foundation. Individual Trustees may remain Board Members until death, resignation or by unanimous vote of the Board to terminate a Member's membership of the Company. There are no individual subscriptions or other sums payable by Members.

The management of the charity and regulatory compliance is delegated to the Chief Executive and an effective partnership exists with the Chairperson of the Board. The Chief Executive reports to Trustees at Board Meetings. The Langdon Foundation is introducing a more organised induction programme which includes a dedicated portal containing information about the history of Langdon, guides on Trustee responsibilities, current strategy, governance documents and Board reports. The Board as a group receive presentations on compliance and latest practice at least annually.

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management (continued)

The trustees review management remuneration annually. All the above management personnel are remunerated through Langdon Foundation or Langdon Housing and not Langdon Community. The Langdon Foundation ensures its salaries remain competitive in the labour market, through conducting an annual pay review, paying individuals in line with normal industry practice and standards, and benchmarking salaries against other employers. Langdon determines the pay range for a vacancy prior to advertising it, following the creation and/or amendment of a job description and specification. On appointment the starting salary is determined within that range to be offered to the successful candidate, based on relevant qualifications, experience and any recruitment and retention needs. Senior Leadership salaries are based on the same economic factors specified above, such as, qualifications, experience and other factors like supply and demand, but a spot salary is used on appointment and thereafter the cost of living increase, as appropriate.

Corporate governance

Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Chairperson and the Management Board. Specific areas of responsibility are delegated to Trustees covering the main areas of operation of the charity and in maintaining the Charitable Objects of the organisation.

Systems of internal control are designed to provide reasonable assurance against material misstatement or loss.

They include:

- an annual budget approved by the Trustees;
- regular consideration by the Trustees of general budget performance
- delegation of day-to-day management and regulatory compliance authority; and
- identification and management of risks.

Objectives, activities, achievements and performance

Langdon Community's declared objectives are:

"The relief of individuals with special educational needs or mental illness and other associated difficulties including by the provision of education and through the provision of support to their families and (save for purposes incidental and ancillary to those objects), no other purposes. The Charity shall be established in accordance with the tenets of the Jewish religion".

The Langdon Community mission statement is:

"Langdon Community seeks to provide support to enable young Jewish adults with learning difficulties/disabilities to determine and maintain a lifestyle of their own choosing which affords dignity, fulfilment and individual status and maximises their potential for independence in the wider community".

"The Community seeks to empower and enable people to enjoy lifestyles, which are age, culture and needs appropriate".

The principal activities of Langdon Community are to achieve these objects through the delivery of Supported Living Services and an Employment Service.

In line with available guidance the charity's strategic planning is based on delivering a range of supports and services within the following key areas:

- Support & Care
- Employment & Further Education
- Housing related support
- Jewish Culture
- Organisational Development

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Objectives, activities, achievements and performance (continued)

This year's principal activities, objectives and achievements are provided in the Group's consolidated accounts, The Langdon Foundation. The key areas for Langdon Community are summarised below;

Our Supported Living service now supports 101 people (a 3% increase on 2017) and we also support 14 people through our Outreach service.

New Chapters is established in Harrow and Manchester as a social enterprise selling second hand books through Amazon. With the help of a special donation we moved this operation to new premises in Harrow in Q2 2017. This provides an environment for our people with a learning disability to develop work based skills enabling them to then move in to work with an employer. Turnover is some £11,000-£12,000 per month.

Employment Service continues to be provided in addition to the statutory funded Supported Living service. We are rightly proud of our achievements: 19% of people are in paid work and not in receipt of any social security employment benefits, 31% are in paid work but working less than 16 hours per week and 39% are in voluntary work or vocational training.

Langdon's Brady Clubs give Jewish youth aged 12-19, with learning disabilities, the opportunity to meet new people, make friends and have fun. The clubs give young people the opportunity to be involved in the planning of their programmes and give input into the running of their youth groups.

Community continues to arrange and support people on self-funded vacations.

Financial review, management policies and results for the year

The Statement of Financial Activities (SoFA), set out on page 8, shows that Langdon Community had income of £4,064,408 (2017: £3,553,552) of which £3,889,773 (2017: £3,380,463) was paid out on expenses, leaving a surplus of £174,635 (2017: £173,088).

Principal sources of funding

Direct care and support of residents is funded by the respective home Local Authorities for each individual. This constitutes the majority of the charity's income. Other funds are raised by the Langdon Foundation who organise fundraising events and co-ordinate the activities of our supporters in the wider community on behalf of the Langdon charities. Langdon does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

Reserves

The view of the Board of Trustees is that Langdon Community should retain sufficient reserves to cover 3 months operation of the charity. This was reviewed during the period to reflect current Charity Commission guidance. This consideration also factors current external threats to funding so as to maximise service continuity. Our operating income comes from the government, mostly through contracts for care services with Local Authorities. In the event that these contracts were terminated and the income stopped, we would also stop providing the care services thereby reducing costs. The Trustees consider that the charity needs to hold adequate reserves against the risk that these contracts might cease and has deemed three months' income as appropriate. Based on the budget for the year ending 31 December 2019 this would amount to c£890,000.

At 31 December 2018, Langdon Community had unrestricted balance sheet fixed asset investments and net liquid assets of £2,221,387 (2017: £2,006,927), with liabilities due of £694,622 (2017: £654,797), leaving the total financial reserves at £1,526,765 (2017: £1,352,130). The charity had a free reserve of £1,421,530 (2017: £1,263,057) after allowing for £16,504 restricted reserves (2017: £1,684) and £88,731 (2017: £87,389) of tangible fixed assets.

Investment policy and performance

The present investment policy is that Langdon Community does not hold shares or investments.

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Grant making policy

Langdon Community has within its Articles of Association the ability to make grants and during the year, no applications were received.

Staff training and career development

Langdon Community is committed to the training, career development and welfare of its employees. An individual's career development is assessed through annual appraisal and supervision. Training programmes are provided to meet ongoing needs, with the aim of developing employees for both their current and their future roles. The training strategy and plan is based on Langdon Community's organisational objectives and the requirements of the wider Langdon Group.

Future plans

Langdon's strategic plan is to achieve growth. Commissioners, Assistant Directors and Social Service Team Managers are being contacted in local authorities in our target areas of North London, Hertfordshire, Salford and Bury. Langdon aims to work with the local authorities to develop flexible services to meet the needs of each authority. This approach could include partnerships with Housing Associations, Outreach services or Employment services.

Initiatives for new preventative services as required by the Care Act 2014 have been developed for specific local authorities.

Connected charities

Langdon Community is connected to three charities, these being The Langdon Foundation, Langdon Housing and Langdon College, which are all registered with the Charity Commission.

The Langdon Foundation raises funds and provides finance to Langdon College, Langdon Housing and Langdon Community.

Langdon Community operates 30% of its operational services from freehold premises owned and let to members by The Langdon Foundation.

The Langdon Foundation has the right to appoint and remove trustees of Langdon College, Langdon Housing and Langdon Community.

Public benefit

The Trustees have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission. The benefit to the public is manifestly demonstrated by the achievements contained in this report, all of which seeks to extend and improve the care of young people whose life chances, aspirations and contributions to society will be enhanced as a result.

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Risk management

Risks are identified and assessed at an operational, project and corporate level, against the agreed aims and objectives of the charity. We have identified 2 significant risks that face the charity. The maintenance of financial stability is at risk as the charity's income is primarily in the form of care packages which are being squeezed by current government policy. We regularly review our cash position and forecast and have a borrowing facility in place. We have a robust budgeting process and a quarterly re-forecasting cycle. There is a risk that our quality of service may fall and affect the safety and wellbeing of the people we support. We have a rigorous ongoing training program and regular review with care staff to ensure that our people and processes are working.

Disclosure of information to auditors

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have each further confirmed that they have each taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Trustees' responsibilities in relation to the financial statements

The Charity's trustees (who are also the directors of Langdon Community for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".


Company law requires the Charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the board of Trustees



Mr N Henry
Chairman of Trustees
17 July 2019

LANGDON COMMUNITY
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LANGDON COMMUNITY

Independent Auditor's Report to the Members of Langdon Community

Opinion

We have audited the financial statements of Langdon Community for the year ended 31 December 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 Financial Reporting Standard 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 December 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 our audit

- the information given in the Trustees' Annual Report, which includes the directors' 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 included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANGDON COMMUNITY

Matters on which we are required to report by exception

In 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 included within the Trustees' Annual Report.

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

- adequate accounting records have not been kept; 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
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 5, 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: 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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of **Crowe U.K. LLP**
Statutory Auditor, London

31 July 2019

LANGDON COMMUNITY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds	Restricted funds	Total funds 2018	Total funds 2017
		£	£	£	£
Income from:					
Donations	3	8,363	306,330	314,693	287,349
Charitable activities	4	3,748,945	-	3,748,945	3,265,985
Investment income	5	770	-	770	218
Total income		3,758,078	306,330	4,064,408	3,553,552
Expenditure on:					
Charitable activities: Supported living arrangements	6	3,298,689	591,084	3,889,773	3,380,464
Total expenditure		3,298,689	591,084	3,889,773	3,380,464
Net Income/ (expenditure)		459,389	(284,754)	174,635	173,088
Transfers between funds		(299,574)	299,574	-	-
Net movement in funds		159,815	14,820	174,635	173,088
Reconciliation of funds:					
Total funds brought forward		1,350,446	1,684	1,352,130	1,179,042
Total funds carried forward	17,18	1,510,261	16,504	1,526,765	1,352,130

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

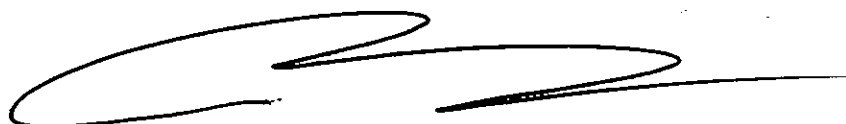
LANGDON COMMUNITY
(A COMPANY LIMITED BY GUARANTEE)

Company registration number 04055338 (England and Wales)

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018	2017
		£	£
Fixed assets:			
Tangible assets	14	88,731	87,389
Current assets:			
Debtors	15	2,009,610	1,858,976
Cash at bank and in hand		123,046	60,562
Total Current assets		2,132,656	1,919,538
Liabilities:			
Creditors: Amounts falling due within one year	16	(694,622)	(654,797)
Net current assets		1,438,034	1,264,741
Total net assets		1,526,765	1,352,130
The funds of the Charity:			
Restricted funds	17	16,504	1,684
Unrestricted funds		1,510,261	1,350,446
Total funds	18	1,526,765	1,352,130

The financial statements have been prepared in accordance with the special provisions of the Companies Act relating to small companies.



Mr N Henry
Trustee

Approved and authorised for issue by the trustees on 17 July 2019

LANGDON COMMUNITY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Net cash provided by operating activities	20	93,984	73,059
Cash flows from investing activities:			
Interest received		770	218
Purchase of tangible fixed assets		(32,270)	(80,076)
Net cash (used in) investing activities		(31,500)	(79,858)
Change in cash and cash equivalents in the reporting period		62,484	(6,799)
Cash and cash equivalents at the beginning of the reporting period		60,562	67,361
Cash and cash equivalents at the end of the reporting period		123,046	60,562

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

I Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The 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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Preparation of the accounts on a going concern basis

The accounts have been prepared on a going concern basis and the trustees believe there to be no material uncertainties about the Charity's ability to continue as a going concern when taking account of the support given and the funds raised by the parent charity, the Langdon Foundation.

1.3 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government or other grants, whether "capital" grants or "revenue" grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received for the provision of care is recognised in the period in which care is provided.

Investment income is accounted for when receivable.

1.4 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated to the one charitable activity.

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

I Accounting Policies

(Continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	25% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

Single items of equipment with a value less than £1,000 have not been capitalised.

The policy with respect to impairment reviews of fixed assets is that these assets are inspected regularly for any impairment and any defect remedied so as to maintain the current value.

1.6 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.9 Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.10 Pensions

Langdon Community operates defined-contribution schemes.

The amount charged to the SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the period.

1.11 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.12 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Restricted funds represent income received which is allocated by the donor to a specific project. The restrictions are binding on the Trustees of the charity.

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2 Legal status of the Charity

The Charity does not have share capital and is limited by guarantee. In the event of the company being wound up, the maximum amount which each member is liable to pay is £10.

3 Income from donations

	Unrestricted funds	Restricted funds	Total funds	Total funds
			2018	2017
	£	£	£	£
Grants and donations	-	306,330	306,330	279,343
Brady Club income	8,363	-	8,363	8,006
	8,363	306,330	314,693	287,349

Donations relating to unrestricted funds were £8,363 (2017: £8,006). Grants relating to restricted funds were £306,330 (2017: £279,343). The grants were from The Langdon Foundation for community projects including employment, New Chapters, Brady Club and member activities.

4 Income from charitable activities

	2018 £	2017 £
Provision of care and associated income (unrestricted 2018 and 2017)	3,748,945	3,265,985

5 Investment income

	2018 £	2017 £
Interest receivable (unrestricted 2018 and 2017)	770	218

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6 Analysis of expenditure

	Total 2018	Total 2017
	£	£
Supported living		
Staff costs	3,273,345	2,759,240
Motor and travel	23,369	22,571
Rent	94,180	139,343
Costs recoverable from residents	51,750	97,352
Office expenses	43,733	43,066
Other direct costs	357,906	285,088
Governance costs (see note 7)	14,562	15,774
Depreciation	30,928	18,031
	3,889,773	3,380,464

Expenditure on charitable activities was £3,889,773 (2017: £3,380,464) of which £3,298,689 was unrestricted (2017: £2,981,995) and £591,084 was restricted (2017: £398,469).

7 Analysis of governance costs

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are all allocated against the one charitable activity. Some support functions including finance and HR are managed and funded directly by The Langdon Foundation. Audit fee is allocated equally across all four group companies.

	2018	2017
	£	£
Audit	5,750	6,250
Bank charges	4,017	4,039
Accountancy	4,795	5,485
	14,562	15,774

8 Net expenditure for the year

This is stated after charging:

	2018	2017
	£	£
Depreciation	30,928	18,031
Auditor's remuneration	5,750	6,250
Operating lease rentals - property	94,180	139,343

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2018 £	2017 £
Wages and salaries	2,994,616	2,532,821
Social security costs	236,120	199,552
Pension	42,609	26,867
	3,273,345	2,759,240

There were no employees having benefits in excess of £60,000.

The key management personnel of the Charity comprise the senior management team as detailed on page 1 of the trustees' report. The total payments made by the charity in respect of the senior management team who are employed directly by the Charity were £101,350 (2017: £90,252).

The remuneration of some key management personnel is through Langdon Foundation.

None of the Trustees (or any persons connected with them) received any remuneration during the year (2017: nil) and none of them were reimbursed for expenses during the year (2017: nil).

10 Staff Numbers

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

	2018 Number	2017 Number
Care support staff	135	127
Management and administrative staff	25	21
Total	160	148

11 Pension and other post-retirement benefit commitments

Langdon Community operates two defined-contribution schemes.

The Charity contributes towards the Langdon Group Schemes run by Nest and Aegon which are defined contribution schemes. The assets of the schemes are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds. Contributions payable during the year were £42,609 (2017: £26,867).

The expense has been allocated to unrestricted expenditure on the same basis as wages and salaries.

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Related party transactions

The charity is connected to The Langdon Foundation (registered charity number: 1142742, registered company number: 07621714), Langdon College (registered charity number: 1088936, registered company number: 4104466) and Langdon Housing (registered charity number: 114743, registered company number: 07623246), all of which are incorporated charitable companies registered in England and Wales that do not have share capital and are limited by guarantee.

At the year end, the charitable company had a creditor of £426,541 (2017: £335,625) due to Langdon Housing. This related to the invoices paid on behalf of Langdon Community in relation to property repairs.

At the year end, the charitable company had a debtor of £1,261,658 (2017: a debtor of £1,313,992) due from The Langdon Foundation. During the year, Langdon Community was charged £8,000 (2017: £36,000) as rent by The Langdon Foundation. Donations of £306,230 (2017: £279,268) were received from the Langdon Foundation. The remaining debtor related to the costs settled by Langdon Community on behalf of The Langdon Foundation and the bank transfers to meet the cash shortfalls in The Langdon Foundation.

At the year end, the charitable company had a creditor of £23,489 (2017: a creditor of £74,048, a debtor £568 and an overall creditor of £73,480) due to Langdon College. During the year, the charitable company has been charged £30,833 (2017: £13,606) for the shared personnel cost from Langdon College. The remaining debtor relates to shared non-personnel costs.

The ultimate controlling party of Langdon Community is The Langdon Foundation (registered charity number: 1142742, registered company number: 7621714) in whose accounts the results have been consolidated. The Langdon Foundation is considered as the ultimate holding company as it is the sole member of Langdon Community Limited.

13 Corporation tax

As a charity, Langdon Community is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the Charity, during the year or the previous year.

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

14 Tangible fixed assets

	Leasehold Improvements £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost:					
As at 1 January 2018	54,002	66,030	26,361	50,515	196,908
Additions	-	-	5,770	26,500	32,270
As at 31 December 2018	54,002	66,030	32,131	77,015	229,178
Depreciation:					
As at 1 January 2018	5,728	47,783	5,493	50,515	109,519
Charge for year	9,819	10,321	6,371	4,417	30,928
As at 31 December 2018	15,547	58,104	11,864	54,932	140,447
Net book value					
As 31 December 2018	38,455	7,926	20,267	22,083	88,731
As 31 December 2017	48,274	18,247	20,868	-	87,389

All assets are used for charitable purposes.

15 Debtors

	2018 £	2017 £
Trade debtors	520,552	330,359
Amounts owed by group undertakings	1,261,658	1,314,560
Other debtors	42,582	28,670
Prepayments and accrued income	184,818	185,387
	2,009,610	1,858,976

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	30,838	41,384
Amounts owed to group undertakings	450,030	409,673
Taxation and social security costs	60,322	64,034
Other creditors	28,522	27,210
Accruals	112,209	112,496
Deferred income	12,701	-
	694,622	654,797

LANGDON COMMUNITY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

17 Analysis of charitable funds

Analysis of movements in restricted funds

	Balance as at 1 January 2018	Income	Expenditure	Transfers	Funds as at 31 December 2018
	£	£	£	£	£
Brady Club	-	36,174	(61,569)	25,395	-
Employment	-	148,040	(161,112)	13,072	-
New Chapters	-	83,000	(342,757)	259,757	-
Ambassadors Manchester	1,684	100	(200)	-	1,584
Supported Living Manchester	-	25,446	(25,446)	-	-
Mini Bus	-	13,570	-	1,350	14,920
	1,684	306,330	(591,084)	299,574	16,504

Analysis of movements in restricted funds – prior year

	Balance as at 1 January 2017	Income	Expenditure	Transfers	Funds as at 31 December 2017
	£	£	£	£	£
Brady Club	-	18,000	(45,488)	27,488	-
Employment	-	140,518	(158,322)	17,804	-
New Chapters	-	120,250	(193,909)	73,659	-
Ambassadors Manchester	1,859	75	(250)	-	1,684
Supported Living Manchester	-	500	(500)	-	-
	1,859	279,343	(398,469)	118,951	1,684

- Brady Club offers social activities to younger people with learning difficulties in Edgware.
- Employment aids and trains people with learning difficulties to find employment.
- New Chapters offer a safe working environment for people with learning difficulties to gain work experience. New Chapters and Employment work very closely together.
- Ambassadors Manchester was created to service the fundraising activities of the parental group and is earmarked for specific purposes.
- Supported Living Manchester is our main operation in Manchester and bridges the gap left by shortfalls in Government funding.
- Mini Bus are funds raised to purchase a new Mini Bus

Transfers are made from unrestricted funds to restricted funds to meet a deficit on those funds.

LANGDON COMMUNITY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2018 are represented by:			
Tangible fixed assets	88,731	-	88,731
Current assets	2,116,152	16,504	2,132,656
Creditors of less than one year	(694,622)	-	(694,622)
	1,510,261	16,504	1,526,765

Fund balances at 31 December 2017 are represented by:

Tangible fixed assets	87,389	-	87,389
Current assets	1,917,854	1,684	1,919,538
Creditors of less than one year	(654,797)	-	(654,797)
	1,350,446	1,684	1,352,130

19 Commitments under operating leases

	Land and Buildings	
The future minimum payments under non-cancellable operating leases are:	2018 £	2017 £
Expiry date:		
No later than one year	66,666	66,666
Later than one year and not later than five years	169,915	208,549
Later than five years	-	-
	236,581	275,215

The above commitments are a combination of the properties leased from The Langdon Foundation and third party landlords.

20 Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net movement in funds	174,635	173,088
Add back depreciation charge	30,928	18,031
Deduct interest income shown in investing activities	(770)	(218)
Increase in debtors	(150,634)	(350,920)
Increase in creditors	39,825	233,078
Net cash provided by operating activities	93,984	73,059