

Company Registration Number - 02317743

The Charity Registration Number is :- 701917

East Durham Community Initiatives Limited

Report and Accounts

31 March 2019

East Durham Community Initiatives Limited

Report and accounts for the year ended 31 March 2019

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East Durham Community Initiatives Limited

Company Registration Number - 02317743

Trustees' Annual Report for the year ended 31 March 2019

The Trustees present their Report and Accounts for the year ended 31 March 2019, which also comprises the Directors' Report required by the Companies Act 2006.

Reference and administrative details

The charity name.

The legal name of the charity is:- East Durham Community Initiatives Limited

The charity is also known by its operating name, East Durham Community Initiatives Limited

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 701917

Legal structure of the charity

The charity is constituted as a company limited by guarantee, registered under the Companies Acts . The governing document of the charity is the Memorandum and Articles of Association establishing the company under company legislation.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

By operation of law all, trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

The trustees are all individuals.

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The principal operating address, telephone number, email and web addresses of the charity are:-

19 Vane Terrace
Seaham, Co Durham
SR7 7AU
Telephone 1915819499 Email Address Web address

The registered office of the charity for Companies Act purposes is the same as the operating address shown above.

The Trustees in office on the date the report was approved were:-

Mr D D Mercer - Chairman
Mrs A Brown
Mr D Brown
Mr R Garrigan

The following persons served as Trustees during the year ended 31 March 2019 :-

The trustees who served as a trustee in the reporting period, and, if applicable, their dates of appointment or resignation during the year were:-.

<i>Name</i>	<i>Appointed</i>	<i>Resigned/Retired</i>
Mrs O Guy		02/07/2019
Mr R Garrigan	16/06/2019	

At the Annual General Meeting **Derek Mercer and Olive Guy** retire as trustees, but are eligible for reappointment.

All the trustees are also members of the charity.

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Objects and activities of the charity

The purposes of the charity as set out in its governing document.

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

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

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

The main activities undertaken in relation to those purposes during the year.

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

- Promote our existing services to additional referral sources to maximise the impact for the community and secure additional sources of funding streams;
- Secure ongoing referrals from the main referral sources by seeking and maintaining a network partnership that will meet the aims and objectives of all service users;

Homeless Project: (Homebase)

- Continue to maintain and pass the high levels of quality standards as stipulated in the Government's Quality Assessment framework to ensure the charity continually meets and exceeds the mandatory contractual requirements on these projects;
- Continue to update our internal quality audit systems to ensure the charity is proactive in a regime of continuous improvement and evaluation of the services we offer and deliver;
- Continue to design and improve our policies and systems to celebrate and promote equality and diversity for charity members, employees and all service users;
- Further positive development of service user involvement by devising and implementing a service user strategy to meet the contractual requirements of the Government's Quality Assessment Framework.

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Trustees' Annual Report for the year ended 31 March 2019

The main activities undertaken during the year to further the charity's purpose for the public benefit.

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

The elements of public benefit range from:

- Engaging and enhancing the learning opportunities and employment prospects of permanently excluded young people.
- Assisting to reduce anti social behaviour in the community by engaging the service users in positive activities.
- Improving the health and wellbeing of homeless young people in the district, by providing or facilitating accommodation based services that will enhance life and coping skills for them to sustain their own tenancies after periods of intense support.

Who used and benefited from our services?

The area of activity is the provision of housing; Beneficiaries are: 16 to 25 year old female homeless

Housing:

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

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

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

The management are investigating the possibility of obtaining external grants with a view of extending our service provision to private landlords, if successful this will not only increase the beneficiaries we can support, but will generate an additional revenue stream.

The trustees have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity.

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Trustees' Annual Report for the year ended 31 March 2019

How the activities undertaken during the year contributed to the achievement of the aims and objectives.

The main achievements and performance of the charity during the year.

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

A 98% occupancy rate at the accommodation, with a high proportion of young people moved onto full time education courses or employment, and 89% of our service users were able to continue to sustain their tenancy after the support period with us had ended.

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

Continued to take steps and actions to reduce overheads to a sustainable level

The difference the charity's performance during the year has made to the beneficiaries of the charity.

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

The degree to which the achievements and performance during the year have benefited wider society.

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

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

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Trustees' Annual Report for the year ended 31 March 2019

Structure, governance and management of the charity

The methods used to recruit and appoint new charity trustees.

The Trust identifies the need for adding appropriate trustees to the charity, the manager is informed to make a schedule of recruitment and assessment of the qualifying criterion to enable the trust to select short list prospective applicants to be invited for an interview.

The Manager will discuss the new job role requirements of the potential trustee and devise a skills assessment matrix, along with the legal requirements and rules of diversity / equal opportunities. A trustee role description will be devised and passed to the trust to agree or amend.

Once agreed the Trust will advertise the vacancy, and inform potential applicants the skill requirements alongside person specification requirements to meet the demands and needs of the position. A role description, application form and a self skills assessment will be forwarded to all applicants.

The manager will provide the applications received to the Trust members in order to short list suitable applicants. The successful applicants will be invited to attend an interview. The successful applicant will complete all of the legal checks and requirements to confirm that there are no barriers to requirement.

Once references have been checked and the legal's completed the new trustee will undertake a comprehensive induction to our charity, their roles and responsibilities and limits of authority.

The policies and procedures for the induction and training of trustees.

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

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

The obligations of trustees.

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

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

Future plans and objectives.

East Durham Community Initiatives Limited

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Trustees' Annual Report for the year ended 31 March 2019

How the charity makes decisions and how decisions are delegated.

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

Bankers	Barclays Bank, 57 Fawcett Street, Sunderland SR1 1SD
Solicitors	Murray Humphries, 41 Church Street, Seaham, SR7 7EJ
Accountants	Jacs Accountancy Limited, 35 Seaside Lane, Easington Colliery, Peterlee SR8 3PG

Financial review

The charity's financial position at the end of the year ended 31 March 2019

The financial position of the charity at 31 March 2019 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2019	2018
	£	£
Net income/(expenditure)	190,942	(18,637)
Unrestricted Revenue Funds available for the general purposes of the charity	11,184	15,269
Unrestricted revaluation reserve	174,877	-
Total Unrestricted Funds	186,061	15,269
Restricted Revenue Funds	20,150	-
Total Funds	206,211	15,269

Financial review of the position at the reporting date, 31 March 2019 .

The trustees consider the financial performance by the charity during the year to have been satisfactory.

Specific changes in fixed assets are detailed in the notes to the accounts.

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Policies on reserves.

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

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Investment policy and investment objectives.

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

Details of The Independent Examiner

W Knoblauch
Member of F.M.A.A.T.
3 The Elms
Elmfield Road
Newcastle upon Tyne
Tyne and Wear
NE3 4BD

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Trustees' Annual Report for the year ended 31 March 2019

Statement of the Directors' and Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), .

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that , on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

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Trustees' Annual Report for the year ended 31 March 2019

Method of preparation of accounts - Small company provisions

The financial statements are set out on pages 12 to 20.

The financial statements have been prepared implementing the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016)

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

This report was approved by the board of trustees on 10 July 2019.

Mr D D Mercer
Director and Trustee

East Durham Community Initiatives Limited - Statement of Financial Activities for the year ended 31 March 2019

Statement of Financial Activities (including the Income and Expenditure Account for the year ended 31 March 2019, as required by the Companies Act 2006)

	SORP Ref	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2019 £	2019 £	2019 £	2018 £
Income & Endowments from:					
Donations & Legacies	A1	20,000	25,835	45,835	4,940
Charitable activities	A2	103,978	-	103,978	109,083
Investments	A4	7,814	-	7,814	9,518
Total income	A	131,792	25,835	157,627	123,541
Expenditure on:					
Raising funds	B1	202	-	202	26
Charitable activities	B2	134,275	5,685	139,960	142,152
Other	B3	1,400	-	1,400	-
Total expenditure	B	135,877	5,685	141,562	142,178
Net income/(expenditure) for the year		(4,085)	20,150	16,065	(18,637)
Net income after transfers	A-B-C	(4,085)	20,150	16,065	(18,637)
Other recognised gains/(losses)					
Net gains on revaluation of fixed assets	D1	174,877	-	174,877	-
Net movement in funds		170,792	20,150	190,942	(18,637)
Reconciliation of funds:-					
Total funds brought forward	E	15,269	-	15,269	33,906
Total funds carried forward		186,061	20,150	206,211	15,269

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A Statement of Total Recognised Gains and Losses is included as a primary statement in these accounts.

All activities derive from continuing operations

The notes attached on pages 19 to 20 form an integral part of these accounts.

East Durham Community Initiatives Limited - Statement of Financial Activities for the year ended 31 March 2019

East Durham Community Initiatives Limited - Analysis of prior year total funds, as required by paragraph 4.2 of the SORP

	SORP Ref	Prior Year Unrestricted Funds 2018 £	Prior Year Restricted Funds 2018 £	Prior Year Total Funds 2018 £
Income from:				
Donations & Legacies	A1	-	4,940	4,940
Charitable activities	A2	109,083	-	109,083
Investments	A4	9,518	-	9,518
Total income	A	118,601	4,940	123,541
Expenditure on:				
Raising funds	B1	26	-	26
Charitable activities	B2	137,212	4,940	142,152
Total expenditure	B	137,238	4,940	142,178
Net expenditure for the year		(18,637)	-	(18,637)
Net income after transfers		(18,637)	-	(18,637)
Net movement in funds		(18,637)	-	(18,637)
Reconciliation of funds:-				
Total funds brought forward	E	33,906	-	33,906
Total funds carried forward		15,269	-	15,269

All activities derive from continuing operations

East Durham Community Initiatives Limited - Statement of Financial Activities for the year ended 31 March 2019

Statement of Total Recognised Gains and Losses for the year ended 31 March 2019

	2019	2018
	£	£
Surplus/(deficit) for the year :-		
Net excess of expenditure over income from operations before tax	17,465	(18,637)
Realised losses on the disposal of tangible fixed assets	(1,400)	-
<i>Income from operations before tax in the Statement of Financial Activities</i>	16,065	(18,637)
<i>Add/(deduct) non income and expenditure items:-</i>		
Gains on the revaluation of tangible fixed assets	174,877	-
Net Movement in funds before taxation	190,942	(18,637)
Funds generated in the year as shown on Statement of Financial Activities	190,942	(18,637)

The notes attached on pages 19 to 20 form an integral part of these accounts.

East Durham Community Initiatives Limited - Statement of Financial Activities for the year ended 31 March 2019

East Durham Community Initiatives Limited - Resources applied in the year ended 31 March 2019 towards fixed assets for Charity use:-

	2019	2018
	£	£
Funds generated in the year as detailed in the SOFA	<u>190,942</u>	<u>(18,637)</u>
Net resources available to fund charitable activities	<u>190,942</u>	<u>(18,637)</u>

The notes attached on pages 19 to 20 form an integral part of these accounts.

East Durham Community Initiatives Limited - Statement of Financial Activities for the year ended 31 March 2019

Movements in revenue and capital funds for the year ended 31 March 2019

Revenue accumulated funds

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Last year Total Funds 2018 £
Accumulated funds brought forward	15,269	-	15,269	33,906
Recognised gains and losses before transfers	(4,085)	20,150	16,065	(18,637)
	11,184	20,150	31,334	15,269

Closing revenue funds

11,184	20,150	31,334	15,269
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Revaluation Reserve Fund

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Last year Total Funds 2018 £
At 1 April	-	-	-	-
Net gains on revaluation of fixed assets	174,877	-	174,877	-
At 31 March	174,877	-	174,877	-

Summary of funds

	Unrestricted and Designated funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Last Year Total Funds 2018 £
Revenue accumulated funds	11,184	20,150	31,334	15,269
Revaluation reserve fund	174,877	-	174,877	-
Total funds	186,061	20,150	206,211	15,269

The notes attached on pages 19 to 20 form an integral part of these accounts.

East Durham Community Initiatives Limited - Statement of Financial Activities for the year ended 31 March 2019

**East Durham Community Initiatives Limited
Income and Expenditure Account for the year ended 31 March 2019 as required by the Companies Act 2006**

	2019 £	2018 £
Income		
Income from operations	149,813	114,023
Investment income		
Income from investments, other than interest receivable	7,750	9,447
Interest receivable	64	71
	<u>157,627</u>	<u>123,541</u>
Gross income in the year before exceptional items	157,627	123,541
	<u>157,627</u>	<u>123,541</u>
Gross income in the year including exceptional items	157,627	123,541
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	139,254	140,956
Depreciation and amortisation	456	946
Fundraising costs	202	26
Governance costs	250	250
Realised losses on disposals of social investments which are programme related	-	-
Realised losses on disposals of tangible fixed assets held for the charity's own use	1,400	-
	<u>141,562</u>	<u>142,178</u>
Total expenditure in the year	141,562	142,178
Net income before tax in the financial year	16,065	(18,637)
Tax on surplus on ordinary activities	-	-
	<u>16,065</u>	<u>(18,637)</u>
Net income after tax in the financial year	16,065	(18,637)
	<u>16,065</u>	<u>(18,637)</u>
Retained surplus for the financial year	16,065	(18,637)

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 19 to 20 form an integral part of these accounts.

East Durham Community Initiatives Limited - Balance Sheet as at 31 March 2019

	SORP		2019	2018
	Note	Ref	£	£
Fixed assets				
Tangible assets	11	A A2	186,575	13,654
Current assets				
Cash at bank and in hand		B B4	21,766	3,295
Creditors: amounts falling due within one year	12	C1	<u>(2,130)</u>	<u>(1,680)</u>
Net current assets			19,636	1,615
The total net assets of the charity			<u>206,211</u>	<u>15,269</u>
The total net assets of the charity are funded by the funds of the charity, as follows:-				
Restricted funds				
Restricted Revenue Funds	18	D2	20,150	-
Unrestricted Funds				
Unrestricted Revenue Funds	18	D3	11,184	15,269
Unrestricted Revaluation Reserve	18	D4	<u>174,877</u>	-
			186,061	15,269
Designated Funds				
Total charity funds			<u>206,211</u>	<u>15,269</u>

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

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

The member has not required the company to obtain an audit in accordance with section 476 of the Act.

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

The charity is subject to Independent Examination under charity legislation, and the report of the Independent Examiner is on page 11.

East Durham Community Initiatives Limited - Balance Sheet as at 31 March 2019

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

Mr D D Mercer

Trustee

Approved by the board of trustees on 10 July 2019

The notes attached on pages 19 to 20 form an integral part of these accounts.

East Durham Community Initiatives Limited

Notes to the Accounts for the year ended 31 March 2019

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), published by the Charity Commission in England & Wales (CCEW), effective January 2016, and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), in preference to the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to ensure current best practice.

Risks and future assumptions

The charity is a public benefit entity.

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and services carried out in respect of services provided to customers.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

East Durham Community Initiatives Limited

Notes to the Accounts for the year ended 31 March 2019

Policies relating to expenditure on goods and services provided to the charity.

Recognition of liabilities and expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of an event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured or reliably estimated.

Liabilities arising from future funding commitments and constructive obligations, including performance related obligations where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to provisions in the accounts, which are reviewed at the accounting year end. The provision is increased to reflect increases in liabilities, and is decreased by the utilisation of any provision within the period, and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

Policies relating to assets, liabilities and provisions and other matters.

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as detailed above. Cost value includes all costs expended in bringing the asset into its intended working condition.

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

Freehold premises	2 % straight line
Plant and machinery	25 % straight line
Motor vehicles	25 % straight line

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of the gift or as implied by law.

East Durham Community Initiatives Limited

Notes to the Accounts for the year ended 31 March 2019

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 11 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity and is therefore included in the relevant costs in the Statement of Financial Activities.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies in accordance with the objects to the charity.

4 Significance of financial instruments to the charity's position

There are no significant implications of such matters.

5 Net surplus before tax in the financial year

2019
£

The net surplus before tax in the financial year is stated after charging:-

Depreciation of owned fixed assets	456
Pension costs	122
	<hr/>

6 Gains and losses on revaluation of fixed and intangible assets

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £
Revaluation of :-			
Property	174,877	-	174,877
	<hr/>	<hr/>	<hr/>
	174,877	-	174,877

7 The contribution of volunteers

The arrangements with volunteers are difficult to value precisely in monetary terms and have not been included in the Statement of Financial Activities. The volunteers and the charity accept and agree that no contractual employment is created by these arrangements.

East Durham Community Initiatives Limited

Notes to the Accounts for the year ended 31 March 2019

8 Staff costs and emoluments

Salary costs	2019
	£
Gross Salaries excluding trustees and key management personnel	121,754
Employer's operating costs of defined contribution pension schemes	122
	<hr/>
Total salaries, wages and related costs	121,876

Numbers of full time employees or full time equivalents	2019
The average number of total staff employed in the year was	<hr/> 8
The average number of part time staff employed in the year was	7
The average number of full time staff employed in the year was	1
The estimated full time equivalent number of all staff employed in the year was	8

The estimated equivalent number of full time staff deployed in different activities in the year was:-

Engaged on charitable activities	6
Engaged on fundraising activities	1
Engaged on management and administration	1
	<hr/>
<i>The estimated full time equivalent number of all staff employed as above</i>	8

Neither the trustees nor any persons connected with them have received any remuneration from the charity or entity, either in the current or prior year.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

Highest paid employee

The remuneration in the year was	23,426
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<i>Total remuneration package included in total salaries above</i>	<hr/> 23,426
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9 Defined contribution pension schemes

The charity operates a defined contribution pension scheme, the costs of which are shown above.

Any liabilities and assets associated with the scheme are shown under debtors and creditors.

10 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity

East Durham Community Initiatives Limited

Notes to the Accounts for the year ended 31 March 2019

11 Tangible fixed assets

	Land and Buildings	Plant & Machinery	Motor Vehicles
	£	£	£
Cost			
At 1 April 2018	25,123	34,554	4,000
Surplus on revaluation	174,877	-	-
Disposals	-	-	(4,000)
At 31 March 2019	200,000	34,554	-
Depreciation			
At 1 April 2018	12,969	34,554	2,500
Charge for the year	456	-	-
On disposals	-	-	(2,500)
At 31 March 2019	13,425	34,554	-
Net book value			
At 31 March 2019	186,575	-	-
At 31 March 2018	12,154	-	1,500

Freehold land and buildings included above:

	2019
	£
Historical cost	25,123
Cumulative depreciation based on historical cost	<u>13,425</u>

12 Creditors: amounts falling due within one year

	2019
	£
Trade creditors	900
Accruals	578
PAYE, NIC VAT and other taxes	652
	<u>2,130</u>

13 Loans to trustees included in debtors

During the period there was no loans made to Trustees.

East Durham Community Initiatives Limited

Notes to the Accounts for the year ended 31 March 2019

14 Guarantees made by the charity on behalf of trustees

During the period there was no guarantees made by the charity on behalf of Trustees.

15 Revaluation reserve

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £
At 1 April 2018	-	-	-
Arising on revaluation during the year	174,877	-	174,877
At 31 March 2019	174,877	-	174,877

16 Income and Expenditure account summary

	2019 £
At 1 April 2018	15,269
Surplus/(loss) after tax for the year	16,065
At 31 March 2019	31,334

17 Particulars of how particular funds are represented by assets and liabilities

At 31 March 2019	Unrestricted funds £	Designated funds £	Restricted funds £
Tangible Fixed Assets	186,575	-	-
Current Assets	1,616	-	20,150
Current Liabilities	(2,130)	-	-
	186,061	-	20,150
At 1 April 2018			
	Unrestricted funds £	Designated funds £	Restricted funds £
Tangible Fixed Assets	13,654	-	-
Current Assets	3,295	-	-
Current Liabilities	(1,680)	-	-
	15,269	-	-

East Durham Community Initiatives Limited

Notes to the Accounts for the year ended 31 March 2019

18 Change in total funds over the year as shown in Note 17 , analysed by individual funds

	Funds brought forward from 2018	Movement in funds in 2019	Transfers between funds in 2019
	£	See Note 19 £	See Note 0 £
Unrestricted and designated funds:-			
Unrestricted Revenue Funds	15,269	(4,085)	-
Unrestricted Revaluation Reserve	-	174,877	-
Total unrestricted and designated funds	15,269	170,792	-
Restricted funds:-			
Rothley Trust	-	150	-
Virgin Money	-	20,000	-
Total restricted funds	-	20,150	-
Total charity funds	15,269	190,942	-

19 Analysis of movements in funds over the year as shown in Note 18

	Income	Expenditure	Other Gains & Losses
	2019 £	2019 £	2019 £
Unrestricted and designated funds:-			
Unrestricted Revenue Funds	131,792	(135,877)	-
Unrestricted Revaluation Reserve	-	-	174,877
Restricted funds:-			
Rothley Trust	900	(750)	-
Leeds Building Society	935	(935)	-
Joicey Trust	4,000	(4,000)	-
Virgin Money	20,000	-	-
	157,627	(141,562)	174,877

Gains and losses are detailed in notes 6,0, 0, 0 and 0

20 The purposes for which the funds as detailed in note 18 are held by the charity are:-

Unrestricted and designated funds:-

Unrestricted Revenue Funds	These funds are held for the meeting the objectives of the charity provide reserves for future activities, and , subject to charity legislation free from all restrictions on their use.
Unrestricted Revaluation Reserve	This fund represents the unrestricted surplus arising on the revaluation of the charity's assets.
Designated Fixed Asset Funds	The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.

East Durham Community Initiatives Limited

Notes to the Accounts for the year ended 31 March 2019

Restricted funds:-

Restricted Fixed Asset Funds	The purpose of these funds is described under the accounting 'Accounting for capital grants and fixed asset funds'.
Restricted Revaluation Reserve	This fund represents the restricted surplus arising on the revalu charity's assets.
Virign Money	To cover salary costs for one year starting April 2019

21 Ultimate controlling party

The charity is under the control of its legal members.

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

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Prior Year
Total Funds

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Total

£

63,677

174,877

(4,000)

234,554

50,023

456

(2,500)

47,979

186,575

13,654

2018

£

25,123

12,969

2018

£

1,050

630

-

1,680

**Prior Year
Total Funds**

2018
£

-
-

-

2018
£

33,906
(18,637)

15,269

**Total
Funds**

£
186,575
21,766
(2,130)

206,211

**Total
Funds**

£
13,654
3,295
(1,680)

15,269

**Funds carried
forward to
2020**

£

11,184
174,877

186,061

150
20,000

20,150

206,211

**Movement
in funds
2019
£**

(4,085)
174,877

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East Durham Community Initiatives Limited

Detailed analysis of income and expenditure for the year ended 31 March 2019 as required by the SORP 2015

This analysis is classified by conventional nominal descriptions and not by activity.

22 Donations and Legacies

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Revenue grants and donations from non public bodies				
Rothley Trust	-	900	900	-
Garfield Western	20,000	-	20,000	-
Leeds Building Society	-	935	935	-
Joicey Trust	-	4,000	4,000	-
Virgin Money	-	20,000	20,000	-
Santander	-	-	-	4,940
Total private sector revenue grants	20,000	25,835	45,835	4,940
Total Donations and Legacies	A1 20,000	25,835	45,835	4,940

23 Income from charitable activities - Trading Activities

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Primary purpose and ancillary trading				
Sale of goods and services in accordance with the charity's objects	32,694	-	32,694	37,799
Total Primary purpose and ancillary trading	32,694	-	32,694	37,799

24 Charitable income from funders

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
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East Durham Community Initiatives Limited

Detailed analysis of income and expenditure for the year ended 31 March 2019 as required by the SORP 2015

Contractual payments from public bodies to fund charitable activities

DCC Supporting Grants	71,284	-	71,284	71,284
Total contractual payments from public bodies	71,284	-	71,284	71,284
Total Charitable income from funders	71,284	-	71,284	71,284

25 Total Income from charitable activities

	Current year Unrestricted Funds £ 2019	Current year Restricted Funds £ 2019	Current year Total Funds £ 2019	Prior Year Total Funds £ 2018
Total income from charitable trading	32,694	-	32,694	37,799
Total Charitable income from funders	71,284	-	71,284	71,284
Total from charitable activities	A2 103,978	-	103,978	109,083

26 Investment income

	Current year Unrestricted Funds £ 2019	Current year Restricted Funds £ 2019	Current year Total Funds £ 2019	Prior Year Total Funds £ 2018
Property Rental Income	7,750	-	7,750	9,447
Bank Interest Receivable	64	-	64	71
Total investment income	A4 7,814	-	7,814	9,518

27 Expenditure on charitable activities - Charitable trading

	Current year Unrestricted Funds £ 2019	Current year Restricted Funds £ 2019	Current year Total Funds £ 2019	Prior Year Total Funds £ 2018
Reallocated from support costs	134,025	5,685	139,710	141,902
Total charitable trading costs	B2b 134,025	5,685	139,710	141,902

East Durham Community Initiatives Limited

Detailed analysis of income and expenditure for the year ended 31 March 2019 as required by the SORP 2015

28 Support costs for charitable activities

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
<i>Employee costs not included in direct costs</i>				
Salaries - Administrative staff	117,754	4,000	121,754	121,103
Defined contribution pension cost - administrative staff	122	-	122	308
Training and welfare - staff	193	-	193	663
Payroll fees and charges	546	-	546	877
Travel and subsistence - staff	109	-	109	697
<i>Premises Expenses</i>				
Rates and water charges	1,636	-	1,636	1,535
Light heat and power	4,416	-	4,416	4,180
Cleaning and waste management	1,287	-	1,287	1,287
Premises repairs, renewals and maintenance	1,250	1,685	2,935	2,534
Property insurance	2,160	-	2,160	3,202
<i>Administrative overheads</i>				
Telephone, fax and internet	1,625	-	1,625	1,852
Postage	40	-	40	-
Stationery and printing	473	-	473	474
Membership subscriptions	499	-	499	491
Sundry expenses	108	-	108	107
<i>Professional fees paid to advisors other than the auditor or examiner</i>				
Accountancy fees other than examination or audit fees	969	-	969	1,213
<i>Financial costs</i>				
Bank charges	382	-	382	433
Depreciation & Amortisation in total for the	456	-	456	946
Support costs before reallocation	134,025	5,685	139,710	141,902
<i>Less support costs reallocated to specific activities</i>				
To charitable trading costs	(134,025)	(5,685)	(139,710)	(141,902)

The basis of allocation of costs between activities is described under accounting policies

29 Other Expenditure - Governance costs

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Independent Examiner's fees	250	-	250	250
Total Governance costs	250	-	250	250

East Durham Community Initiatives Limited

Detailed analysis of income and expenditure for the year ended 31 March 2019 as required by the SORP 2015

East Durham Community Initiatives Limited

Detailed analysis of income and expenditure for the year ended 31 March 2019 as required by the SORP 2015

30 Total Charitable expenditure

		Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Total charitable trading costs	B2b	134,025	5,685	139,710	141,902
Total Governance costs	B2e	250	-	250	250
Total charitable expenditure	B2	134,275	5,685	139,960	142,152

31 Expenditure on raising funds and costs of investment management

		Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Cost of fundraising activities		202	-	202	26
Total fundraising costs	B1	202	-	202	26

32 Gains and losses on fixed asset disposals and summary of impairments

		Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Realised losses on disposals of tangible fixed assets held for the charity's own use		1,400	-	1,400	-
Total losses	B3	1,400	-	1,400	-

33 Total of other expenditure

		Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Total other expenses and costs		1,400	-	1,400	-
Total other expenditure	B3	1,400	-	1,400	-

Independent examiner's report to the Trustees of

EAST DURHAM COMMUNITY INITIATIVES LTD

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st March 2019.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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 report

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 company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those accounting records; or
- (3) the accounts 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 accounts 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

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.

Signed: 

Name: W Knoblauch
(FMAAT)

Address: 3 The Elms
Parker Avenue
Newcastle upon Tyne
NE3 4BD

Date: 16th October 2019