

Company registration number: 03084746

Charity registration number: 1048645

# Landau Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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# Landau

changing lives creating futures

# **Landau Limited**

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## **Landau Limited**

### **Reference and Administrative Details**

<b>Trustees</b>	M L Kite R D Langford H E Oliver M J Shields P J Hall (resigned 11 April 2019) A J Slater (resigned 31 January 2019)
<b>Chief Executive Officer</b>	S Roberts
<b>Principal Office</b>	5 Landau Court Tan Bank Wellington Telford TF1 1HE  The charity is incorporated in England & Wales.
<b>Company Registration Number</b>	03084746
<b>Charity Registration Number</b>	1048645
<b>Auditor</b>	CBSL Accountants Limited Chartered Accountants and Statutory Auditors Rowan House North 1 The Professional Quarter Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

## **Landau Limited**

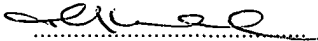
### **Chairperson's Statement for the Year Ended 31 December 2018**

The board of trustees and I would like to say a very sad farewell to Phil Hall, the inaugural chairperson for Landau. Phil's devotion to Landau's development and progression since its inception 23 years ago have been long valued by all those linked to Landau.

As you will see from the accounts, this has again been a year of challenges and transition. The robust plans put in place by the CEO and senior management team for the next 3 years have assured me and the board of trustees that we will survive and even thrive during these tougher years. The prediction of breakeven next year is further proof of this, and my hope is my statement next year proves this. We have found the lack of funding for the learning disabled a barrier, but as attitudes shift along with budgets to address the social need we hope this can be overcome in the near future.

The economic landscape remains uncertain, with the government and Brexit playing their part. This has made it a challenge to maintain staff and sustain continuity of service. That being said, we are now sensibly using the reserves built up from the past to ensure the continuity and development of Landau. We have inbuilt resilience and resource to enable us to continue to sustain our projects.

In this, I know Landau will continue to be a place for support, guidance and comfort for all those who rely on us.



M L Kite  
Interim Chairperson

## **Landau Limited**

### **Chief Executive Officer's Summary for the Year Ended 31 December 2018**

Landau continues its expansion into a new geographical areas. This year we moved into Herefordshire, through the BBO Herefordshire project (funded by European Social Fund and the National Lottery Community Fund). We have also moved with the demand in the Black Country to Tamworth in joining the BBO Evolve project. These adaptations have however come at cost hence the loss we show this year.

During these times of change and uncertainty, our Newstead site continues to rise and thrive as a first choice centre for those with medium to severe learning disabilities in Stoke and Staffordshire.

The quality of our service provision continues to exceed expectation meeting by targets with excellent service users' feedback on our supported employment services, and becoming provider of choice for Midlands Partnership Foundation Trust for our Independent Placement Support (IPS). We have expanded our learning service in partnership with Wrekin Housing Trust and CITB to deliver construction site ready skills, employer led service for local employers to support the housing demand across the Marches.

*Building on the success of our current partnership model for employment we engage 19 partners on a new skills and learning programme to support young people who are not in employment or education gain skills to move forward to employment or further learning.*

The senior management team and I continue to develop and improve Landau's offering to our service users, staff and the wider public. We have upskilled staff and brought new skills into the business to continue to deliver excellent services.

I look forward to 2019 being the year we break even financially, become provider of choice for IPS to more Trusts supporting their transformation plans and NHS 5 year vision and duplicate our service at Newstead to other areas of demand ensuring everyone has the opportunity to fulfil their potential.

I would like to thank all of our partners, suppliers and employees during the year for their continued support.

I would further like to thank all our funders for their continued commitment to the vision of Landau in changing lives and creating futures.



S Roberts  
Chief Executive Officer

## **Landau Limited**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2018.

#### **Structure, governance and management**

##### ***Nature of governing document***

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association on incorporation on 27 July 1995 and superseded by a set dated 30 April 2002.

##### ***Recruitment and appointment of trustees***

The subscribers of the Memorandum and Articles of Association and such other persons as shall be admitted to membership in accordance with the Articles shall be members of the company. The Board of Trustees has the power to appoint any persons to be a Trustee, subject to re-election at the next Annual General Meeting.

##### ***Arrangements for setting key management personnel remuneration***

The charity considers that its Trustees and senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give their time freely and no Trustee receives remuneration or expenses in the year.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

##### ***Organisational structure***

The Chief Executive Officer oversees the operation of the charity, assisted by a small management team.

#### **Objectives and activities**

##### ***Objects and aims***

Landau is a supported employment and work related training organisation, providing one-to-one, individual support for vulnerable people.

Landau is committed to ensure that every person with a learning disability has the opportunity to work and fulfil their potential. It is our aim to provide individuals with high quality, tailored support to enable them to overcome the obstacles to fulfilling their potential in society.

##### ***Objectives, strategies and activities***

Our support programme provides the specialist, high levels of support people require to be able to flourish within the workplace. Our aim is to provide support with the aim of finding employment and/or a move towards independent living. The activity is designed around three key themes as well as providing ongoing support:

- Pre work activity
- Individual placement support
- Work placements / employment

##### ***Public benefit***

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## **Landau Limited**

### **Trustees' Report**

#### ***Grant making policies***

The charity has established its grant making policy to achieve its objects and this is reviewed annually to ensure that it continues to advance its public benefit purposes. The charity pay grants from its restricted BBO Shropshire and BBO Herefordshire funds to its partners in the projects.

#### **Achievements and performance**

The review of our charitable activities is detailed further in the Chairperson's Statement and Chief Executive Officer's Summary.

#### **Financial review**

The Statement of Financial Activities shows total incoming resources of £2,177,890 (2017 - £1,549,847) for the year. This resulted in a net deficit for the year of £128,255 (2017 - £90,817).

#### ***Policy on reserves***

Unrestricted funds total £467,277 (2017 - £730,503) which are held to cover the expenditure required for the coming year and the charity intends to build up those funds and maintain them at such a level. Restricted funds total £212,114 (2017 - £77,143) and a breakdown of these funds can be found in the notes to the Financial Statements.

#### ***Principal funding sources***

The charity would like to thank the following organisations for providing principal funding during the year:

The National Lottery Community Fund (formerly Big Lottery Fund)

European Social Fund

Lloyds Bank Foundation

Commissioner's People Power Fund (Staffordshire PCC)

Royal British Legion

One Stop Carriers for Causes

#### **Plans for future periods**

#### ***Aims and key objectives for future periods***

The Chairperson's Statement and the Chief Executive Officer's Summary provide details of the charity's strategy and challenges for future periods.

#### **Risk management**

#### ***Objectives and policies***

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

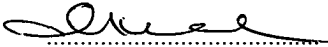
## **Landau Limited**

### **Trustees' Report**

#### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 21/11/19 and signed on its behalf by:



M L Kite  
Trustee



## Landau Limited

### Statement of Trustees' Responsibilities

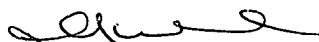
The trustees (who are also the directors of Landau Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 17/9/19 and signed on its behalf by:



.....  
M L Kite  
Trustee

## **Landau Limited**

### **Independent Auditor's Report to the Members of Landau Limited**

#### **Opinion**

We have audited the financial statements of Landau Limited (the 'charity') for the year ended 31 December 2018, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its results 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 charity 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 charity'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.

## **Landau Limited**

### **Independent Auditor's Report to the Members of Landau Limited**

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Chairperson's Statement and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairperson's Statement and Trustees' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairperson's Statement and the Trustees' Report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 7], the trustees 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 charity'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 charity 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.

## Landau Limited

### Independent Auditor's Report to the Members of Landau Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*LJ Osselton*

.....  
Louise Osselton FCA (Senior Statutory Auditor)  
For and on behalf of CBSL Accountants Limited, Statutory Auditor

Rowan House North  
1 The Professional Quarter  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

Date: *17 September 2019*

# Landau Limited

## Statement of Financial Activities for the Year Ended 31 December 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Income and Endowments from:</b>				
Donations, legacies and grants	3	-	1,820,922	1,820,922
Charitable activities	4	347,320	-	347,320
Investment income	5	2,999	-	2,999
Other income	6	6,649	-	6,649
Total Income		356,968	1,820,922	2,177,890
<b>Expenditure on:</b>				
Charitable activities	7	(619,997)	(1,686,148)	(2,306,145)
Total Expenditure		(619,997)	(1,686,148)	(2,306,145)
Net (expenditure)/income		(263,029)	134,774	(128,255)
Transfers between funds		(197)	197	-
Net movement in funds		(263,226)	134,971	(128,255)
<b>Reconciliation of funds</b>				
Total funds brought forward		730,503	77,143	807,646
Total funds carried forward	19	467,277	212,114	679,391
	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
<b>Income and Endowments from:</b>				
Donations, legacies and grants	3	-	1,228,670	1,228,670
Charitable activities	4	312,339	-	312,339
Investment income	5	3,487	-	3,487
Other income	6	5,351	-	5,351
Total Income		321,177	1,228,670	1,549,847
<b>Expenditure on:</b>				
Charitable activities	7	(436,561)	(1,204,103)	(1,640,664)
Total Expenditure		(436,561)	(1,204,103)	(1,640,664)
Net (expenditure)/income		(115,384)	24,567	(90,817)
Transfers between funds		(18,850)	18,850	-
Net movement in funds		(134,234)	43,417	(90,817)
<b>Reconciliation of funds</b>				
Total funds brought forward		864,737	33,726	898,463
Total funds carried forward	19	730,503	77,143	807,646

## **Landau Limited**

### **Statement of Financial Activities for the Year Ended 31 December 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

All of the charity's activities derive from continuing operations during the above two periods.

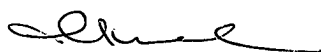
The funds breakdown for 2017 and 2018 is shown in note 19.

# Landau Limited

(Registration number: 03084746)  
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	15	369,577	369,143
<b>Current assets</b>			
Debtors	16	145,354	27,943
Cash at bank and in hand		<u>467,618</u>	<u>525,426</u>
		612,972	553,369
<b>Creditors: Amounts falling due within one year</b>	17	<u>(303,158)</u>	<u>(114,866)</u>
<b>Net current assets</b>		<u>309,814</u>	<u>438,503</u>
<b>Net assets</b>		<u>679,391</u>	<u>807,646</u>
<b>Funds of the charity:</b>			
<b>Restricted funds</b>		212,114	77,143
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>467,277</u>	<u>730,503</u>
<b>Total funds</b>	19	<u>679,391</u>	<u>807,646</u>

The financial statements on pages 11 to 28 were approved by the trustees, and authorised for issue on 11/1/19 and signed on their behalf by:



M L Kite  
Trustee

# Landau Limited

## Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(128,255)	(90,817)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		2,674	2,609
Investment income	5	<u>(2,999)</u>	<u>(3,487)</u>
		(128,580)	(91,695)
<b>Working capital adjustments</b>			
(Increase)/decrease in debtors	16	(117,411)	63,102
Decrease in creditors	17	(7,731)	(40,156)
Increase in deferred income		<u>196,023</u>	<u>79,963</u>
Net cash flows from operating activities		<u>(57,699)</u>	<u>11,214</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	2,999	3,487
Purchase of tangible fixed assets	15	<u>(3,108)</u>	<u>(32,963)</u>
Net cash flows from investing activities		<u>(109)</u>	<u>(29,476)</u>
Net decrease in cash and cash equivalents		(57,808)	(18,262)
Cash and cash equivalents at 1 January		<u>525,426</u>	<u>543,688</u>
Cash and cash equivalents at 31 December		<u><u>467,618</u></u>	<u><u>525,426</u></u>

All of the cash flows are derived from continuing operations during the above two periods.



## **Landau Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 Charity status**

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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.

##### **Basis of preparation**

Landau Limited 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 notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

##### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

## **Landau Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Charitable activities**

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.

#### **Grant provisions**

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Grants offered subject to certain conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	Not depreciated
Computer equipment	25% straight line

## **Landau Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Hire purchase and finance leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

# Landau Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 3 Income from donations, legacies and grants

	Restricted funds £	Total 2018 £	Total 2017 £
Grants, including capital grants; Grants from other charities	<u>1,820,922</u>	<u>1,820,922</u>	<u>1,228,670</u>

Grants received, included in the above, are as follows:

	2018 £	2017 £
BBO Shropshire	1,171,128	1,140,672
BBO Herefordshire	592,884	-
BBO Herefordshire Development Fund	-	50,000
BBO Evolve	26,486	-
Staffordshire Expanding Opportunities Project	25,000	25,000
Awards for All	-	10,000
Royal British Legion	3,924	-
People Power Fund	-	2,998
Carriers for Causes	<u>1,500</u>	<u>-</u>
	<u>1,820,922</u>	<u>1,228,670</u>

### 4 Income from charitable activities

	Unrestricted funds General £	Total 2018 £	Total 2017 £
Supported employment services	<u>347,320</u>	<u>347,320</u>	<u>312,339</u>
		2018 £	2017 £
Supported employment services provided		343,273	306,316
Sale of goods / services made or provided by the beneficiaries of the charity		<u>4,047</u>	<u>6,023</u>
		<u>347,320</u>	<u>312,339</u>

# Landau Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 5 Investment income

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	2,999	2,999	3,487

### 6 Other income

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Rental income	5,048	5,048	4,558
Other income	1,601	1,601	793
	6,649	6,649	5,351

### 7 Expenditure on charitable activities

		Unrestricted funds	Restricted funds	Total 2018	Total 2017
	Note	General £	£	£	£
Supported employment services		64,851	21,602	86,453	78,731
Depreciation, amortisation and other similar costs		2,674	-	2,674	2,609
Grant funding of activities	9	-	1,021,786	1,021,786	589,751
Staff costs		394,233	557,376	951,609	698,544
Allocated support costs	8	100,704	85,384	186,088	222,325
Governance costs	8	57,535	-	57,535	48,704
		619,997	1,686,148	2,306,145	1,640,664

## Landau Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

The supported employment services cost is analysed as follows:

	Unrestricted funds			
	General	Restricted	Total	Total
	£	funds	2018	2017
		£	£	£
Delivery costs	4,196	787	4,983	7,575
Sessional workers costs	22,991	2,466	25,457	31,909
Beneficiary costs	13,204	1,184	14,388	16,627
Cafe purchases	2,899	-	2,899	2,197
Staff training	5,782	293	6,075	4,292
Staff travel expenses	15,606	11,296	26,902	15,227
Volunteer training and expenses	173	-	173	904
Monitoring and evaluation costs	-	5,576	5,576	-
	<u>64,851</u>	<u>21,602</u>	<u>86,453</u>	<u>78,731</u>

£619,997 (2017 - £436,561) of the above expenditure was attributable to unrestricted funds and £1,686,148 (2017 - £1,204,103) to restricted funds.

## 8 Analysis of governance and support costs

### Charitable activities - analysis of allocated support costs

	Unrestricted funds			
	General	Restricted	Total	Total
	£	funds	2018	2017
		£	£	£
Rent, rates and water	15,980	9,209	25,189	35,475
Insurance	3,842	50	3,892	4,162
Telephone and internet	8,163	6,823	14,986	5,450
Other premises expenses	32,978	5,439	38,417	22,626
Equipment hire	6,088	5,538	11,626	7,093
Other office costs	13,700	6,605	20,305	28,960
Computer costs	8,201	12,852	21,053	70,661
Subscriptions and memberships	3,633	20,654	24,287	3,495
Marketing costs	2,339	17,164	19,503	28,989
Professional fees	4,640	1,050	5,690	15,018
Bank charges	425	-	425	396
Bad debt write off	715	-	715	-
	<u>100,704</u>	<u>85,384</u>	<u>186,088</u>	<u>222,325</u>

Support costs have been allocated consistently between charitable activities and governance based on management time.

# Landau Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### Governance costs

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Staff costs			
Wages and salaries	43,039	43,039	26,315
Social security costs	3,670	3,670	2,727
Pension costs	347	347	107
Audit fees			
Audit of the financial statements	3,300	3,300	3,389
Allocated support costs	7,179	7,179	16,166
	<u>57,535</u>	<u>57,535</u>	<u>48,704</u>

The allocated support cost is analysed as follows:

	Note	2018 £	2017 £
Other office costs		6,781	14,443
Legal and professional fees and HR costs		398	935
Equipment hire		-	788
		<u>7,179</u>	<u>16,166</u>

### 9 Grant-making

#### Analysis of grants

	Grants to institutions	
	2018 £	2017 £
Analysis		
BBO Shropshire	673,239	589,751
BBO Herefordshire	348,547	-
	<u>1,021,786</u>	<u>589,751</u>

## Landau Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2018 £	2017 £
Operating leases - plant and machinery	11,626	7,881
Depreciation of fixed assets	<u>2,674</u>	<u>2,609</u>

#### 11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 12 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
<b>Staff costs during the year were:</b>		
Wages and salaries	913,373	669,259
Social security costs	77,877	55,886
Pension costs	<u>7,415</u>	<u>2,548</u>
	<u>998,665</u>	<u>727,693</u>

	2018 £	2017 £
<b>Note</b>		
Direct staff costs	525,787	436,205
Support staff costs, including governance	<u>472,878</u>	<u>291,488</u>
	<u>998,665</u>	<u>727,693</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2018 No	2017 No
Direct charitable work staff	27	24
Administrative staff	<u>14</u>	<u>8</u>
	<u>41</u>	<u>32</u>

The average number of full-time equivalent employees during the year was 24 (2017 - 14).



## Landau Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

The number of employees whose emoluments fell within the following bands was:

	2018 No	2017 No
£70,001 - £80,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>

During the period the Trustees reviewed the employment contract terms of the charity's CEO and agreed to pay salary relating to previous periods that had not be accrued totalling £20,000. Therefore for the year ended 31 December 2018 the number of employees whose employee benefits fall into the £70,001 - £80,000 category is 1 when this one-off back payment is excluded.

#### 13 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>3,300</u>	<u>3,389</u>

#### 14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 January 2018	361,317	10,435	371,752
Additions	<u>-</u>	<u>3,108</u>	<u>3,108</u>
At 31 December 2018	<u>361,317</u>	<u>13,543</u>	<u>374,860</u>
<b>Depreciation</b>			
At 1 January 2018	-	2,609	2,609
Charge for the year	<u>-</u>	<u>2,674</u>	<u>2,674</u>
At 31 December 2018	<u>-</u>	<u>5,283</u>	<u>5,283</u>
<b>Net book value</b>			
At 31 December 2018	<u>361,317</u>	<u>8,260</u>	<u>369,577</u>
At 31 December 2017	<u>361,317</u>	<u>7,826</u>	<u>369,143</u>

## Landau Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 16 Debtors

	2018 £	2017 £
Trade debtors	121,103	6,572
Prepayments	-	11,160
Accrued income	22,739	10,211
Other debtors	1,512	-
	<u>145,354</u>	<u>27,943</u>

#### 17 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	22,565	21,258
VAT grant repayable	-	5,789
Other creditors	1,307	142
Accruals	3,300	7,714
Deferred income	275,986	79,963
	<u>303,158</u>	<u>114,866</u>
		2018 £
Deferred income at 1 January 2018		79,963
Resources deferred in the period		275,986
Amounts released from previous periods		<u>(79,963)</u>
Deferred income at 31 December 2018		<u>275,986</u>

Deferred income relates to funds received for charitable activities to be undertaken during 2019.

#### 18 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £7,415 (2017 - £2,548).

# Landau Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 19 Funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>					
<i>General</i>					
General fund	730,503	356,968	(619,997)	(197)	467,277
<b>Restricted funds</b>					
BBO Shropshire	65,187	1,171,128	(1,071,863)	-	164,452
BBO Herefordshire	-	592,884	(570,007)	-	22,877
BBO Evolve	-	26,486	(1,701)	-	24,785
Staffordshire Expanding Opportunities	-	25,000	(25,000)	-	-
Royal British Legion	-	3,924	(3,924)	-	-
BBO Herefordshire Development Fund	8,958	-	(8,958)	-	-
Carriers for Causes	-	1,500	(1,595)	95	-
People Power Fund	2,998	-	(3,100)	102	-
<b>Total restricted funds</b>	<u>77,143</u>	<u>1,820,922</u>	<u>(1,686,148)</u>	<u>197</u>	<u>212,114</u>
<b>Total funds</b>	<u>807,646</u>	<u>2,177,890</u>	<u>(2,306,145)</u>	<u>-</u>	<u>679,391</u>

# Landau Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2017 £
<b>Unrestricted funds</b>					
<i>General</i>					
General fund	864,737	321,177	(436,561)	(18,850)	730,503
<b>Restricted funds</b>					
BBO Shropshire	2,315	1,140,672	(1,077,800)	-	65,187
BBO Herefordshire	-	-	(2,958)	2,958	-
Staffordshire Expanding Opportunities	28,905	25,000	(64,830)	10,925	-
BBO Herefordshire Development Fund	-	50,000	(41,042)	-	8,958
BBO Shropshire Development Fund	-	-	(1,815)	1,815	-
Find a Future	2,506	-	(4,922)	2,416	-
People Power Fund	-	2,998	-	-	2,998
Awards for All	-	10,000	(10,736)	736	-
<b>Total restricted funds</b>	<u>33,726</u>	<u>1,228,670</u>	<u>(1,204,103)</u>	<u>18,850</u>	<u>77,143</u>
<b>Total funds</b>	<u>898,463</u>	<u>1,549,847</u>	<u>(1,640,664)</u>	<u>-</u>	<u>807,646</u>

## Landau Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

The specific purposes for which the funds are to be applied are as follows:

- BBO Shropshire - The Building Better Opportunities project brings together funding from the National Lottery Community Fund and the European Social Fund (ESF) to help tackle the poverty and social exclusion faced by the most disadvantaged people in England. The balance relates to the BBO Shropshire project and monies held for future spend and partner grant payments.
- BBO Herefordshire - The Building Better Opportunities project brings together funding from the National Lottery Community Fund and the European Social Fund (ESF) to help tackle the poverty and social exclusion faced by the most disadvantaged people in England. The balance relates to the BBO Herefordshire project and monies held for future spend and partner grant payments.
- BBO Evolve - The Building Opportunities project brings together funding from the National Lottery Community Fund and the European Social Fund (ESF) to help tackle the poverty and social exclusion faced by most disadvantaged people in England. This balance relates to the BBO Evolve project and monies held for future spend and partner grant payments.
- Staffordshire Expanding Opportunities Project - This is a grant received over three years from The Lloyds Bank Foundation to fund the staff costs of the Expanding Opportunities project.
- BBO Herefordshire Development Fund - The Building Better Opportunities project provided initial funding to enable the charity to get ready for the project to begin in 2018.
- The Royal British Legion - This is a grant received from the Royal British Legion to fund an IPS Employment Specialist post and the associated operating costs, in order to help Veterans with complex needs into employment.
- Carriers for Causes - The grant from the One Stop Carriers for Causes is designed to allow us to fit out the Newstead site with a new reception desk and computer for training and operational purposes.
- People Power Fund - The People Power Fund is a grant provided by the Staffordshire PCC. The grant is to be spent on upgrading our horticultural offering at our Newstead site (to include a polytunnel).

Fund transfers have occurred where there have been overspends on restricted funds. This money has been reallocated from unrestricted funds.

#### 20 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	369,577	-	369,577
Current assets	124,872	488,100	612,972
Current liabilities	(27,172)	(275,986)	(303,158)
Total net assets	467,277	212,114	679,391

## Landau Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 21 Analysis of net funds

	At 1 January 2018 £	Cash flow £	At 31 December 2018 £
Cash at bank and in hand	525,426	(57,808)	467,618
Net debt	<u>525,426</u>	<u>(57,808)</u>	<u>467,618</u>