

## **The Matthew Project**

(a company limited by guarantee)

**Report and Financial Statements**

**For the year ended 31 March 2019**

**Charity number: 1122801**

**Company number: 6388343**

## Contents

---

Trustees' report	3-20
Auditors' report	21-23
Statement of financial activities	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27 - 37

## Trustees' Report for the year ended 31 March 2019

---

The Trustees present their report and audited financial statements for the year ended 31 March 2019.

### Reference and administrative information

Registered charity name: The Matthew Project

Charity registration number: 1122801

Company registration number: 6388343

Registered office and  
operational address: 70-80 Oak Street,  
Norwich,  
Norfolk  
NR3 3AQ

<b>Trustees</b>	Paul Hoey	Chair
	Stephen Lock	Vice-Chair
	Andrew Warren	Treasurer
	Richard Capper	
	Gregory Gibson	
	Margaret Wade	
	Lorinea Lain-Rogers	
Alison Lamont		

**Chief Executive Officer** Andy Sexton

**Company Secretary** Andy Sexton

**Auditors:** Larking Gowen LLP, King Street House, 15 Upper King St, Norwich NR3 1RB

**Bankers:** Lloyds Bank PLC, 16 Gentleman's Walk, Norwich NR2 1LZ

**Solicitors:** Birketts LLP, Kingfisher House, Gilders Way, Norwich NR3 1UB

## Introduction

---

The Trustees (who were also directors of the charity for the purposes of Companies Act) present their annual report together with the audited financial statements of The Matthew Project (the company) for the ended 31 March 2019. The trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with FRS 102 (effective January 2016) as amended by Updated Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

## Our aims and objectives

---

### Purposes and aims

For 35 years, the Matthew Project has been supporting children and adults affected by substance misuse across Norfolk and Suffolk. Over this time, we have built up a reputation for delivering high quality, effective services, focusing on both prevention and treatment. We believe that every person, no matter their age or background, deserves the chance to improve their physical and mental wellbeing.

Our charity's primary purpose, as set out in our memorandum of association, is to benefit young people and adults in the East of England and elsewhere by:

- Advancing education;
- Providing counselling, advice, information, support, and other assistance for those in need;
- Improving our beneficiaries' emotional, mental, and spiritual wellbeing.

## Achievements and performance

---

Over the past year, The Matthew Project has continued to make a big difference to the lives of young people and adults across the region. We have supported hundreds of people through a range of services, offering information and advice, counselling, one-to-one support, life coaching, and a wide range of additional services.



We work alongside our beneficiaries to prevent or reduce substance misuse, build confidence and self-esteem, and help them to reintegrate back into everyday life, including, in many cases, supporting them with education and employment. By doing this we benefit not only our service users, but society as a whole. Our beneficiaries achieve improved physical and mental health, better relationships with others, and overall better quality of life, along with access to more opportunities. Society benefits from a reduction in criminal activity, a reduced burden on health services, better relationships, and improvements in employment rates for those who would otherwise likely be jobless.

Our achievements over the past year have also helped us in working towards our long-term goals, which include:

- Being a trusted provider of substance misuse services across East Anglia, developing an end-to-end recovery programme, and providing excellent care and service for our beneficiaries.
- Widening our sources of funding in order to sustain and continue to develop our charitable services.
- To continue developing our team with training and volunteer development opportunities

2018/19 has also been a significant year of change. On 1 April 2018 70 staff TUPE transferred to CGL, a new provider of the Norfolk adult substance misuse service, following recommissioning by Norfolk County Council Public Health. The Matthew Project had been a sub-contractor to the previous service provider.

This was a significant challenge for The Matthew Project at a time when we were committed to establishing the first recovery hub in Norfolk to support those in recovery from substance misuse to embed their recovery. The new centre, funded by Public Health England, has been named Next Steps by service users.

In order to provide focus and measurable targets, the Trustees set three objectives for the year:

1. To stabilise the Matthew Project at a time of change;
2. To deliver the Recovery Hub and Recovery Support Programme;
3. To deliver high quality services.

To deliver on these objectives The Matthew Project has:

- Completed the restructuring of the organisation, including the appointment of a new CEO and Recovery Support team. Naturally occurring vacancies have also been filled, not least in the Unity under-18 service, which delivers vital services to young people at risk of or actually misusing substances, as well as affected others.
- Completed on the purchase of a long-term lease for premises suitable for conversion to deliver the Recovery Hub, Recovery Support Programme and consolidate the charity's head office onto one site. The building was first stripped out, and the offices were refurbished. Following this, the first phases of the Recovery Hub were tendered and the contract was awarded. This first phase provides a training kitchen, a recovery support room, an IT suite, an art studio, and a new toilet block. A workshop for skills and employment training is being created by a Trustee, volunteers and service users. The final phase, providing counselling

rooms, a café, an exercise studio, social areas, and a wellbeing mezzanine floor is scheduled for completion in October 2019.

- Maintained and developed quality of service delivery, ensuring safe practice through training such as 'Signs of Safety' and reviewing policies and their implementation across the organisation.
- Established the Recovery Support Programme for those who have completed treatment but not yet embedded their recovery.
- Further developed Outside the Wire, our service for military veterans experiencing PTSD, mental health issues and potential or actual substance misuse. Support for families and friends (affected others) is also a key part of the service, which operates across East Anglia.

## Future developments

---

The Matthew Project is on the move.

We're seeking to build on the impact of our existing work and to leverage our expertise in both prevention and support for those affected by drug and alcohol misuse.

This year will see the Next Steps recovery centre fully opened after a fundraising campaign and with the support of the Board. Already the Recovery Support Programme is operating successfully in the space we have, but the site has so much more potential to provide community, support and skills for those in recovery from substance misuse, veterans with PTSD and issues with drugs or alcohol, and children affected by the misuse of others.

We are employing an experienced manager to run Next Steps and look to future sustainability.

Unity is evolving to meet the changing needs of young people with substance misuse issues in Norfolk.

We have funding bids in to expand our work with affected others, and to increase the offer, reach and impact of our life coaching work.

We are re-engaging with faith groups, seeking to support them to deal with drug and alcohol issues, and to build on our core support base.

We are researching business opportunities under our trading registration to increase our exposure and create a stream of unrestricted income.

We are refreshing our HR policies and processes with external consultancy to ensure our staff are supported to perform to the highest level.

We are looking to expand the Board of Trustees and increase the number of patrons.

Over the next 12 months, our key priorities are as follows:

Priority 1: Ensuring the quality of practice

- Evidencing, evaluating and reporting practice.
- Evolving the Unity contract.
- Providing excellent administrative support to the teams and organisation.

Priority 2: Ensuring the sustainability of the Matthew Project

- Agreeing a 3-year rolling business plan.
- Fundraising (both capital and revenue).
- Raising the profile of the Matthew Project.

Priority 3: Maximising the Recovery Hub

- Launching the Next Steps Recovery Centre.
- Diversifying user groups.
- Developing skills and employability.
- Income generation.

Priority 4: Developing the Governance of the Matthew Project

- Broadening the expertise of the Board.
- Reviewing risk management and focusing on the effectiveness and sustainability of the Matthew Project.
- Building the visibility of Trustees across the Matthew Project.
- Board and staff working to expand our networks of partners, stakeholders and supporters of the Matthew Project.

This is an exciting time to be involved with the Matthew Project. We are on the move.

Andy Sexton

CEO

## Our services

---

The Matthew Project provides a wide range of different services, supporting vulnerable groups across the East of England.

Our key programmes include:

### Unity

Unity provides vital support for children and young people across Norfolk. Funded by Norfolk County Council's Public Health Department, the service supports under-19s experiencing substance misuse issues, as well as those affected by somebody else's substance misuse (such as a parent, a guardian, or another close family member – referred to as affected others). Unity also runs a successful 'transitions' service, aimed at 18-25 year olds.

Unity's work sees a considerable number of beneficiaries, and in the past year we provided one-to-one support to 422 vulnerable young people, made up primarily of affected others and those misusing substances.

Our one-to-one support service includes advice, counselling, and treatment for young people experiencing substance misuse issues. In addition, we provide harm reduction support (including blood-borne virus testing and vaccinations), community prescribing, and access to residential treatment and support for parents and young carers. For affected others, we also provide group sessions, which focus on mental wellbeing and coping strategies. Over the past year, our outcomes for one-to-one support have exceeded our overall targets.

For those with substance misuse issues:

- 82% reduced their drug and/or alcohol use
- 69% felt more engaged in education, training, or work
- 78% saw an improvement in their confidence and self-esteem

For those affected by somebody else's substance misuse:

- 74% saw an improvement in their wellbeing
- 66% felt better able to cope
- 62% saw an improvement in their confidence and self-esteem

Feedback for the service has been positive, and has included the following:

#### *Professional feedback*

- 'I referred two students. Your organisation responded quickly and worked with us and the students. The work was excellent.' *(From an Inclusion Manager in a WB school, January 2019).*
- 'I found your team to be very aware of the group they were talking to and held their attention engaging them in conversation that was relevant and useful.' *Training delivered to Respect 4 Us (alternative education provider in Norwich), January 2019).*

### *Client feedback*

- 'I feel able to live my life and I no longer abuse alcohol to cope, I have been able to trust people again and improve all aspects and relationships in my life.' (*Substance misuse client, November 2018*)
- 'Zee has been very supportive throughout this time seeing her. She has made a massive impact on the way I think of life. She gives great advice and I would recommend her to anyone!' (*Affected others client, July 2018*)

### *Parent feedback*

- Brilliant from initial phone call - I got a reply very quickly and an appointment to see someone really soon. My son is more positive, calmer and happier.' (*Parent of Substance misuse client, December 2018*)

\*\*\*\*\*

### **The Youth and Families Team**

The Matthew Project's Youth and Families Team pilots innovative new projects and services, and supports young people across Norfolk. Over the past year, the team has secured new funding for a range of new activities across the county.

Over the past year, the Youth and Families Team have provided a range of services to vulnerable young people. These include:

#### **- Smoking cessation**

This project is targeted at 13-19 year olds in the Norwich area, and includes a smoking cessation campaign, training for local professionals in smoking cessation, use of Smokerlyzers to confirm young people are smoke-free, and incentives to quit. This project is funded by Public Health through the Norwich YAB. So far, the project has achieved the following:

- Engaged with 100 young people on the topic of smoking cessation;
- Supported 25 young people to quit smoking;
- Planned for 20 professionals to be trained in smoking cessation.

#### **- Peer mentoring/awareness workshops in North Norfolk**

This provides a programme of support services and workshops to 13-19 year olds in North Norfolk. These include peer mentoring schemes, domestic abuse awareness sessions (provided by Leeway), a video on staying safe online (created by young people in conjunction with Lab Media), and brief life coaching sessions. This project is commissioned by the North Norfolk YAB. Responses to the project have been positive, with the following feedback for the workshops:

- 83% of participants reported being better able to look after their wellbeing;
- 83% reported an increase in confidence during sessions.

- **Life coaching in West Norfolk**

This project provides life coaching to 13-19 year olds across West Norfolk affected by mental ill health, and includes confidential one-to-one sessions to help young people to boost their self-esteem and work towards their goals. The service is commissioned by the West Norfolk YAB, and has so far worked with 30 vulnerable young people.

- **Criminal justice support**

Since 2016, the Matthew Project has embedded a staff member within Norfolk's Integrated Offender Management (IOM) scheme, funded by the Office of the Police and Crime Commissioner for Norfolk. This is an important role, responsible for delivering comprehensive information, support and interventions, including counselling and therapeutic interventions, to the IOM cohort, made up of those in contact with the criminal justice system, generally through Probation. Over the past year, this role has had 409 contacts with 71 different IOM clients, with the majority of the contacts being face-to-face. The types of support on offer varies, although the majority of clients over the past year were given support around mental and physical health, and attitudes, thinking and behaviour. Additional support includes accommodation, drugs and alcohol, counselling, financial management, ETE, life coaching, lifestyle, and relationships.

*Client feedback*

- "I've found the project really helpful, I've felt really supported in quitting smoking. I feel confident that I will be able to quit smoking with the help that I've had." – young person, smoking cessation project
- "The sessions have really helped me and I feel less anxious and more able to cope." – young person, West Norfolk life coaching.
- "Seeing Sally each week helped me walk away more grounded, relaxed and centred. I was able to walk out the door a little bit stronger." – IOM service user

\*\*\*\*\*

**On Track**

On Track is an employability service aimed at enabling disengaged young people across Norfolk into education, training, and employment. The project gives these young people the skills they need for employment, as well as the self-confidence and belief that they can achieve their goals.

The project is funded by the European Social Fund and the National Lottery Community Fund, through the 'Building Better Opportunities' programme. On Track brings together six organisations

in a unique partnership led by The Matthew Project, and working alongside ACE, GYROS, NANSA, YMCA Norfolk, and the Prince's Trust.

Since its launch in November 2017, On Track has supported 409 disengaged young people across Norfolk. The team of staff includes outreach coaches to work with young people in their own local communities, a volunteer co-ordinator/participation worker, and a team to provide robust monitoring and leadership for the project.

Over the past 12 months, On Track participants have seen the following outcomes:

- 269 new participants have accessed support;
- 106 have successfully moved into education, training, or employment;
- 21 have taken part in a work experience placement;
- 24 have taken part in volunteering activities.

Participants also regularly take part in a range of activities, designed to improve employability and self-esteem. In the past year, 112 young people have participated in activities. These sessions include 'bake off'-style kitchen skills classes, engineering workshops, sailing and canoeing, arts and crafts, carpentry, painting, vehicle mechanics, functional skills, communication building, confidence and self-esteem boosting, and dealing with peer pressure.

#### *Participant feedback*

- "I am completely ready for work now. I have got the qualifications I wanted. Because of On Track I now feel I can go out and get a job."
- "It's benefitted my life a lot more. I've done stuff I wouldn't have done a year ago (apply for jobs and go to interviews, go out on my own, and meet up with friends)."
- "Every time I go I know I'm getting something out of it."

\*\*\*\*\*

#### **The Next Steps recovery centre**

Funded by Public Health England and Norfolk County Council Public Health, the Next Steps recovery centre, based in central Norwich, will be the first of its kind in Norfolk. It will provide a safe space for those in recovery from substance misuse addiction, and act as a valuable community asset, helping to create a sustainable recovery community within Norwich and beyond.

When complete, Next Steps will provide a range of services, including peer mentoring, group sessions, one-to-one support, and a selection of workshops. These will help to provide participants with the support and skills needed to sustain their recovery.

#### **- The Recovery Support Programme**

Although Next Steps is not due to full open until Autumn 2019, the site is already supporting those in recovery from addiction, primarily through the Recovery Support Programme (RSP),



which provides a programme of activities and support to those in recovery from addiction. The RSP is funded by Norfolk County Council, and aims at improving employability skills, increasing self-esteem, and reducing the chances of relapse for those in recovery from addiction. Each programme lasts for six weeks, and provides three days per week of structured support and activities.

- **Next Steps progress update**

So far, we have completed the first two phases of refurbishment for Next Steps:

1. Phase 1 – Purchase of the 62-year lease, completion of the office refurbishment, completion of the first group room, art studio, and IT suite for the Recovery Support Programme, and removal of lab equipment and clearing of the central zone (July – December 2018).
2. Phase 2 – completion of a new toilet block, a training kitchen, and office relocation (April – June 2019)

- **Phase 3**

Phase 3 is the final stage of refurbishment for Next Steps, and is due to be completed by Autumn 2019. The phase will see completion of the remaining areas, including the mezzanine floor, therapy rooms, café, exercise studio, shower/laundry room, skills and employability workshop, new entrance, lobby area, library, and soft play area.

- **Additional support**

As well as those in recovery from addiction, Next Steps also aims to provide support for two additional vulnerable groups: specialist counselling for veterans affected by substance misuse and/or PTSD; and positive activities/group sessions for children affected by parental substance misuse.

\*\*\*\*\*

### **Outside the Wire**

Since its launch in 2013, Outside the Wire has helped hundreds of veterans, current serving personnel, and close family members to live healthier, more fulfilling lives. Our Outside the Wire team are veterans themselves, and know the difficulties that can come from integrating back into everyday life.

The service primarily helps those suffering from issues relating to alcohol and/or drug misuse, although a large proportion of our service users also experience issues with mental health and wellbeing, including PTSD.



Outside the Wire is made up of a team of seven staff, working across Norfolk, and Suffolk, and Essex, and provides the following services:

- **One-to-one outreach support**

The core service provided by Outside the Wire is our one-to-one outreach work. This involves travelling to service users' own homes and communities and providing structured, effective support around alcohol/drug misuse and PTSD. Over the past year, we have provided one-to-one support to 115 beneficiaries across Norfolk, Suffolk, and Essex. The service has proved to be very effective, and we achieve consistently good results. In the past 6 months, amongst all Outside the Wire service users:

- 71% saw an improvement in their overall wellbeing;
- 79% experiencing issues with alcohol reduced their intake;
- 82% saw an improvement in their emotional health;
- 59% saw an improvement in their physical health.

Our one-to-one support is funded by the Royal British Legion and Libor funding.

- **Affected others support**

This service, funded by The Soldiers' Charity, covers Norfolk and Suffolk, and works with affected others (those affected by somebody else's substance misuse and/or PTSD). These are generally partners and close family members of veterans/current serving personnel. This is a crucial role – substance misuse and PTSD can not only affect the individual, but frequently those around them, too. A key part of this role is to focus on relationships, self-esteem, and coping mechanisms, in order to create the best outcomes for all involved. The service also includes behavioural family therapy where needed.

- **Additional services**

Outside the Wire also provides a prison in-reach service, covering Norfolk and Suffolk, and working with veterans currently in prison. In addition, the service has also taken part in a wide range of events across the three counties, helping to raise awareness among the armed forces and civilian communities. This work has been supported by a grant from The Big Salute, run by BFBS.

## **Staff and volunteers**

---

### **Volunteers**

The volunteer programme continues to grow. We have volunteers in every team and retention is good. We are attracting really good quality volunteers from diverse backgrounds. Currently we have

15 active volunteers, seven in the process of signing up, one waiting to be placed, and four peer mentors. Two former volunteers are now also employed by the Matthew Project.

We have two roles responsible for volunteer recruitment, training and support:

- A Volunteer Involvement Lead, responsible for recruiting and managing volunteers for the whole organisation.
- A Participation Support Officer, responsible for sourcing and managing volunteers for the On Track project.

There are a variety of opportunities including group facilitation, befriending, coaching, smoking cessation, event volunteering, fundraising support and trustees. There will be increasing demand for volunteers in the future as we expand our services and to give us an edge in commissioning/funding bids. We are also considering how we can extend our offer for student placements, such as occupational therapists, counsellors and social workers.

*One volunteer wrote: "Being a volunteer for the Matthew project makes me feel incredibly proud, not just of myself but of every single person involved with the charity. The help and support which is given to not just people in recovery but their families and loved ones is truly amazing and often comes at a time when there is nowhere else to turn. The Matthew Project have made me feel part of something that's changing lives and I am excited for my future within this inspirational team and the challenges ahead of me."*

*Another said: "Volunteering through the Matthew Project has been a very rewarding experience. Through skills I have learnt during the training provided I have managed to help clients and have noticed a significant improvements in their general wellbeing. As a psychology student also this has helped me develop my knowledge further, I would highly recommend volunteering through the Matthew Project to anyone."*

### **Staff Wellbeing Group**

The Staff Wellbeing Group, formerly known as the staff panel, aims to create a positive working environment for all staff, and to consider ways in which we can embed staff wellbeing into all areas of the organisation – from new staff inductions, to senior management leadership, to wellbeing champions based across our various services.

The group is made up of former staff panel members, as well as new members from previously underrepresented services. Since its launch, the Staff Wellbeing Group has achieved the following:

- Introduced a staff wellbeing calendar, with various wellbeing events taken part in throughout the year, including Time to Talk Day, 40 Acts of Kindness, and Mental Health Awareness Week.
- Signed up to the Active Workplaces Business Games, an annual event attended by Norfolk-based businesses and organisations. The event is a fun, competitive day of sport, and provides an opportunity for team-building and for networking with other businesses.
- Re-established links with Thriving Workplaces (a Norfolk-based free healthy workplace provider) and discussed networking, training, and ongoing support on offer.

- Exploring mental health and wellbeing training for staff, including opportunities for staff to become mental health first aiders.
- Setup a new Staff Wellbeing Champion scheme, whereby staff reps become Wellbeing Champions within their service/site, helping to champion the cause of staff wellbeing.

One of the members of the Staff Wellbeing Group said the following: "It's really important for staff to be able to talk about their own and others' wellbeing in the work environment. The staff panel is a great way of getting people from different teams together, talking about wellbeing as well as other topics and working towards shared goals."

## Structure, governance, and management

---

The charity was incorporated as a company limited by guarantee on 2 October 2007, and on 1 April 2008 took over the assets, liabilities, and undertakings of The Matthew Project (an unincorporated charity established by a trust deed dated 9 March 1982).

The charity's Trustees, who are members of the board of directors, are detailed on page 3.

### Trustees

Trustees are elected at the annual general meeting for a term of three years. They are recruited from various professions and backgrounds to contribute to the effective governance of the charity. Trustees are recruited through a variety of means including advertising through websites, responding to interest, and approaching relevant professional and voluntary organisations. Each Trustee receives a Trustee Handbook, a role description, and a thorough induction package which involved meeting members of staff and observing the work of the charity. Trustees attend regular training and update sessions concerning governance facilitated by local providers. The Matthew Project is grateful to the Trustees for their hard work and commitment.

In the past year Trustees have taken responsibility for specific governance areas based on their particular skills and expertise, including:

- Ethos
- Performance
- Compliance and legal
- Volunteers
- Safeguarding
- Training
- ICT

Action is also being taken to recruit Trustees with specialist knowledge and experience of substance misuse and social work; and governance of charitable organisations.

The Trustees have also taken action to raise their profile and understanding of the work of the Matthew Project by attending a range of events and visiting teams in their various workplaces around the county.

### **Governance and management**

The Trustees are responsible for the overall governance of the charity and its strategic direction and development with the Chief Executive Officer and the senior management team. Aspects of this, including the day-to-day management and development of the charity, are delegated to the CEO and the management team. Trustees have areas of responsibility and a working group method has been adopted to address key tasks and areas of work, which also involves relevant staff members. Regular reports are produced for the Trustees every two months.

### **Pay Policy for senior staff**

The remuneration for senior staff is determined by the Board of Trustees. Remuneration is subject to periodic market reviews and independent evidence and advice is obtained to inform the decision-making process, before any changes are made. Any proposed changes will be recommended to the Board of Trustees for consideration and approval.

In addition, the remuneration for senior staff will be subject to annual review as part of the organisation's evaluation of pay inflation and consequential recommendations to the Board of Trustees to make a pay award, if any.

The Trustees received no remuneration for their time during the year.

### **Risk assessment**

The Trustees have, during the year, continued to review the major risks to which the charity is exposed and to establish systems to mitigate those risks identified not already covered by the charity's existing systems and risk management strategies and controls. This is designed to minimise any potential impact to the Charity and its beneficiaries, should these risks materialise. All potential new services are assessed through a risk management process. This includes a periodical review of the risk register and organisational governance. The register covers health and safety, governance, safeguarding, and financial risk.

### **Third party indemnity provisions**

The charity has purchased professional indemnity insurance on behalf of the Trustees.

## **Public benefit**

Under the Charities Act, the Trustees are required to report on the extent to which The Matthew Project has provided public benefit during the year. The Charity Commission guidance recommends that this should be reported by means of: a review of significant activities; details of aims and objectives; strategies adopted and activities undertaken to achieve aims and objectives; and achievements by reference to aims and objectives.

We report on the above four areas in detail in the sections headed 'our aims and objectives' and 'achievements and performance'. The Trustees consider that the operations of The Matthew Project during the year were in accordance with general charitable principles and the charitable purposes set out in the Memorandum and Articles of Association and were wholly for the benefit of the public.

## **Financial review, investment policy, and reserves**

---

### **Financial review**

The financial statements are set out on pages 27 to 37.

Income for the year was £2,080,225 (2018 - £4,143,762) and of this £1,888,289 (2018 - £4,091,674) came from grants and contract income.

Resources expended for the year amounted to £2,042,745 (2018 - £3,631,974). The work of the Charity consists mainly of providing advice and support, and this is reflected in staff costs which form approximately 77% of total gross expenditure.

Net movement in funds for the year was a surplus of £37,480 (2018 – £511,788).

The loss of the adult substance abuse service attributes to the shift in results from the prior year.

### **Investment policy**

The Trustees have considered the most appropriate policy for investing funds. They have concluded that holding monies in bank treasury deposit and COIF deposit accounts meets the requirements to generate income whilst minimising risk and maintaining liquidity. Investment returns were low as a result of the low Bank of England Base Rate which has remained at 0.4% throughout the year. Given the nature of this investment the Trustees consider the return to be satisfactory but will continue to closely monitor the situation.

## **Reserves**

Note 16 shows the movement in all the charity's funds in the year. An explanation of the nature and purpose of restricted funds is also given.

### **- Restricted Funds**

The balance of funds at 1 April 2018 was £742,372. Incoming resources for the year totalled £1,917,904 (2018 - £4,112,187) which included £1,477,625 (2018- £1,323,020) towards working with Young Persons and £440,279 (2018 - £2,789,167) towards Adult Services.

Resources expended totalled £1,882,250 (2018 - £3,528,917). The balance was £772,026 on restricted funds at 31 March 2019.

### **- Unrestricted Funds**

The opening balance on the general fund at the beginning of the year was £758,259. Incoming resources totalled £162,321 (2018 - £31,575) and resources expended totalled £154,495 (2018 - £79,057) giving a surplus of £7,826 (2018 – deficit of £47,482) for the year. The balance was £766,085 at 31 March 2018.

### **- Reserves policy**

The Trustees review the reserves policy on an ongoing basis at bi-monthly finance committee meetings. In determining the level of unrestricted reserves required, the Trustees have taken into account:

- Working capital requirements: as payments under several major contracts are now made in arrears there is a need to maintain sufficient working capital to finance the on-going expenditure and also build up working capital in anticipation of winning additional major contracts.
- Expenditure which might arise if a major contract is lost: this would mainly relate to the levels of central overheads that could be recovered (with the potential requirement to reorganise parts of The Matthew Project) and the costs of vacating premises that would no longer be required.
- Expenditure required to continue to support a service where the funding has reduced and further funding is being sought.
- Investment in consultancy to support bids for new services.
- Investment in buildings and IT.
- Investment in professional development.
- Future maintenance costs of buildings and equipment.
- Other potential risks as identified in the Risk Register.
- The need for a contingency to cover unforeseen events.

The target for unrestricted reserves is £593,055 and this compares with unrestricted reserves at 31 March 2019 which amounted to £766,085.

The Trustees are satisfied that the Charity will have adequate funds available to fulfil its obligations 12 months from approval of the financial statements.

### **Fundraising**

Under Section 13 of the Charities (Protection and Social Investment) Act 2016, charities that are subject to audit must make specific statements in their annual reports that provide information about their fundraising standards. Accordingly, the Trustees make the following statements in compliance with the requirements of the Act:

- i. All fundraising activities have been undertaken by the employees of the Charity or by supporters who have chosen The Matthew Project as their nominated charity for fundraising purposes. The Charity has not used a professional fundraiser or commercial participator during the year ended 31 March 2018.
- ii. The Charity is not currently a member of the Fundraising Standards Board. However, the Charity complies with the Code of Fundraising Practice.
- iii. In the past year there have been no instances where the Charity has failed to comply with the requirements and a complaint made.
- iv. The Charity continually reviews and monitors activities involving fundraising carried out by internal staff.
- v. There have been no complaints received by the Charity or any person acting on its behalf about activities by the Charity or by a person on behalf of the Charity for the purpose of fundraising.
- vi. The Charity has protected vulnerable people and other members of the public from behaviour constituting:
  - a) Unreasonable intrusion on a person's privacy
  - b) Unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the Charity, or
  - c) Placing undue pressure on a person to give money or other property, in the course of, or in connection with, such activities by avoiding the use of any fundraising practices that may be considered to give effect to such behaviours.

The Charity actively promotes and markets its fundraising events and activities; however, it is entirely a voluntary matter for individuals, groups or businesses to decide whether they wish to participate in events or make donations.

### **Statement of responsibilities of the Board of Trustees**

The Trustees (who are also directors of The Matthew Project for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;



- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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.

#### **Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. This report was approved by the Trustees, on 9 December 2019 and signed on their behalf by:

P Hoey  
Chairman



S Lock  
Trustee





## Independent Auditors' Report to the Members of The Matthew Project

---

### Opinion

We have audited the financial statements of The Matthew Project (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statements 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

## **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' report, incorporating the directors' report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the directors' report.

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

- adequate accounting records have not been kept, or 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 19 and 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

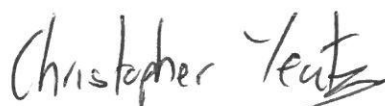
## **Auditors' responsibilities for the audit of the financial statements**

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

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

## **Use of our report**

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



Christopher Yeates FCA DChA (Senior Statutory Auditor)  
For and on behalf of  
**Larking Gowen LLP**  
Statutory Auditors  
Norwich

**11 December 2019**

## Statement of financial activities (including income and expenditure account) for the year ended 31 March 2019

Income:	Note	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £	2018 Total Funds £
<i>Donations and legacies</i>	2	157,798	27,444	185,242	36,133
<i>Income from charitable activities</i>	3	3,459	1,884,830	1,888,289	4,091,674
<i>Income from other trading activities:</i>					
Fundraising events	4	-	-	-	8,945
Other trading activities		-	5,630	5,630	6,282
<i>Investment income</i>	5	1,064	-	1,064	728
<b>Total income</b>		<b>162,321</b>	<b>1,917,904</b>	<b>2,080,225</b>	<b>4,143,762</b>
<i>Costs of raising funds:</i>					
Fundraising and publicity costs		279	3,144	3,423	4,498
<i>Expenditure on charitable activities</i>		154,216	1,885,106	2,039,322	3,627,476
<b>Total expenditure</b>	6	<b>154,495</b>	<b>1,888,250</b>	<b>2,042,745</b>	<b>3,631,974</b>
<b>Net (expenditure)/income for the year</b>		<b>7,826</b>	<b>29,654</b>	<b>37,480</b>	<b>511,788</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>7,826</b>	<b>29,654</b>	<b>37,480</b>	<b>511,788</b>
<i>Reconciliation of funds:</i>					
Total funds brought forward		758,259	742,372	1,500,631	988,843
<b>Total funds carried forward</b>		<b>766,085</b>	<b>772,026</b>	<b>1,538,111</b>	<b>1,500,631</b>

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 27 to 37 form part of these financial statements.

## Balance sheet as at 31 March 2019 (company number: 6388343)

		2019 £	2018 £
	Note		
<b>Fixed Assets</b>			
Tangible assets	11	617,529	57,367
Investment	12	1	1
<b>Current assets</b>			
Debtors	13	122,463	685,524
Cash at bank and in hand	14	1,270,507	1,266,022
		<u>1,392,970</u>	<u>1,951,546</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	15	<u>(472,389)</u>	<u>(508,283)</u>
<b>Net current assets</b>		920,581	1,443,263
<b>Total net assets</b>		<u><u>1,538,111</u></u>	<u><u>1,500,631</u></u>
<b>The funds of the charity:</b>			
Restricted funds	16	772,026	742,372
Unrestricted funds	17	766,085	758,259
<b>Total funds</b>		<u><u>1,538,111</u></u>	<u><u>1,500,631</u></u>


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

Approved by the trustees on 9 December 2019 and signed and authorised for issue on their behalf by:

P Hoey  
Chairman



S Lock  
Trustee



9/12/19

The notes on pages 27 to 37 form part of these financial statements.

## Statement of cash flows as at 31 March 2019

	Note	2019 £	2018 £
<i>Cash flows from operating activities:</i>			
Net cash provided by/(used in) operating activities	23	608,950	345,306
<i>Cash flows from investing activities:</i>			
Interest and Dividends		1,064	728
Purchase of property, plant and equipment		(605,529)	(9,890)
Net cash provided by/(used in) investing activities		(604,465)	(9,162)
Change in cash and cash equivalents in the reporting period		4,485	336,144
Cash and cash equivalents at the beginning of the reporting period		1,266,022	929,878
Cash and cash equivalents at the end of the reporting period		1,270,507	1,266,022

The notes on pages 27 to 37 form part of these financial statements.

## Notes forming part of the financial statements for the year ended 31 March 2019

---

### 1. Accounting policies

#### **a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### **b) Going concern**

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate because the charity has sufficient reserves and assets to settle liabilities as they fall due. Therefore there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

#### **c) Public benefit**

The Matthew Project 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 note(s).

#### **d) Legal status of the Charity**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### **e) Fund accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.
- Investment income, gains and losses are allocated to the appropriate fund.

#### **f) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued income in debtors.

Legacies are included in the Statement of Financial Activities when the charity becomes aware of its entitlement to gift, receipt is probable and the amount can be reliably quantified.

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

---

### **g) Income (continued)**

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

Income received in advance for a future fundraising event or for a grant received relating to the following year are deferred until the criteria for income recognition are met.

Interest on deposit funds held is included when receivable and the amount can be measured reliably by the charity which is normally upon notification of the interest paid or payable by the bank.

Sponsorship from events, fundraising and events registration fees are recognised in income when the event takes place. Trading income is recognised on point of sale for both donated and purchased goods.

### **h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings:

- Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies. Fundraising costs do not include the costs of disseminating information of support of the charitable activities.
- Support costs comprise those costs which are incurred directly in support of expenditure on the objects transferred to the new provider.
- Support costs are allocated on the basis of the full time equivalent of staff allocated to the resource.
- All expenditure is inclusive of irrecoverable VAT.

### **i) Tangible fixed assets**

All purchased fixed assets are initially recorded at cost. Assets donated for use by the charity are recognised as income when receivable and capitalised at their open market value.

### **j) Depreciation**

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

- Leasehold improvements – over period of lease
- Motor vehicles – 25% reducing balance
- Caravans – 25% reducing balance
- Furniture and equipment (movable) – 25% straight line
- Equipment (fixed) – Over period of property lease
- Computers – 33% straight line

### **k) Investments**

Investments in subsidiaries are valued at cost less provision for impairment.



## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

---

### **l) Debtors**

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

### **m) Cash at bank and in hand**

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

### **n) Creditors**

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

### **o) Pensions**

Contributions to the charity's defined contribution pension scheme and to the Norfolk Pension Scheme are charged to the profit and loss account in the year in which they become payable.

### **p) Operating leases**

Operating leases are recognised over the period of which the lease falls due.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

### **q) Taxation**

The company 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 company 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.

### **r) Financial instruments**

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### **s) Judgements and key sources of estimation uncertainty**

No judgements (apart from those involving estimates) have been made in the process of applying the above policies. The key assumption concerning the future and key sources of estimation uncertainty at the key reporting date that has a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year include:

- The estimation of the useful economic life of the fixed assets.

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

### 2 Income from donations and legacies

	2019 £	2018 £
--	-----------	-----------

Donations	<u>185,242</u>	<u>36,133</u>
-----------	----------------	---------------

Income from donations, grants and legacies was £185,242 (2018: £36,133) of which £157,798 was unrestricted (2018: £15,740) and £27,444 restricted (2018: £20,393).

### 3 Income from charitable activities

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
			-			
Community Justice	-	33,545	33,545	-	50,759	50,759
Young Persons	-	1,463,495	1,463,495	-	1,295,221	1,295,221
Adult Services	3,459	387,790	391,249	300	2,745,694	2,745,694
	<u>3,459</u>	<u>1,884,830</u>	<u>1,888,289</u>	<u>300</u>	<u>4,091,374</u>	<u>4,091,674</u>

Included within Adult Services restricted income for 2018 is an amount of £591,478 in respect of a grant from Norfolk County Council for the purchase of a building from which to run the Recovery Hub project. The building was purchased during the year.

### 4 Income from other trading activities

	2019 £	2018 £
--	-----------	-----------

Fundraising events	<u>-</u>	<u>8,945</u>
--------------------	----------	--------------

All income from fundraising events in both the current and previous years relates to unrestricted funds.

### 5 Investment Income

	2019 £	2018 £
--	-----------	-----------

Bank Interest	<u>1,064</u>	<u>728</u>
---------------	--------------	------------

All investment income in both the current and previous year relates to unrestricted funds.

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

### 6 Analysis of Expenditure

2019

	Young Persons	Adult Services	Total Costs
<b>Direct costs</b>			
Salaries	716,473	274,102	990,575
Seconded staff	130,790	-	130,790
Staff costs	15,849	3,184	19,033
Volunteers costs	893	4,937	5,830
Training costs	6,635	2,656	9,291
Staff travel	44,165	22,280	66,445
Vehicle costs	550	2,400	2,950
Service costs	241,484	8,637	250,121
Premises costs	36,485	27,924	64,409
Office running costs	17,513	5,207	22,720
Telephone costs	9,309	1,761	11,070
IT costs	32,537	5,564	38,101
Finance and legal costs	2,438	7,647	10,085
Depreciation including loss on disposal	25,751	16,201	41,952
Fundraising costs	1,500	1,644	3,144
<b>Support costs</b>			
Support costs	228,914	99,489	328,403
Governance costs	33,337	14,489	47,826
	<b>1,544,623</b>	<b>498,122</b>	<b>2,042,745</b>

2018

	Young Persons	Adult Services	Total Costs
<b>Direct costs</b>			
Salaries	538,717	1,780,748	2,319,465
Seconded staff	125,813	-	125,813
Staff costs	138,125	30,879	169,004
Volunteers costs	3,060	2,101	5,161
Training costs	1,991	5,932	7,923
Staff travel	44,949	53,063	98,012
Vehicle costs	1,655	-	1,655
Service costs	252,122	1,760	253,882
Premises costs	60,338	8,536	68,874
Office running costs	19,255	3,035	22,290
Telephone costs	8,023	1,336	9,359
IT costs	15,565	2,988	18,553
Finance and legal costs	1,825	9,395	11,220
Depreciation including loss on disposal	25,609	532	26,141
-	3,609	600	4,209
<b>Support costs</b>			
Support Costs	138,047	330,134	468,181
Governance Costs	6,534	15,698	22,232
	<b>1,385,237</b>	<b>2,246,737</b>	<b>3,631,974</b>

Total expenditure for the year ended 31 March 2019 was £2,042,745 (2018: £3,631,974) of which £154,495 was unrestricted (2018: £79,057) and £1,888,250 was restricted (2018: £3,552,917).

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

### 7 Support and Governance costs

	2019 £	2018 £
<b>Support Costs:</b>		
Staff costs	239,196	280,010
Other costs	102,358	188,171
<b>Governance Costs:</b>		
Audit and accountancy fees	8,813	12,463
Consultancy and professional fees	38,221	9,246
Other costs	(12,359 )	523
	<u>376,229</u>	<u>490,413</u>

Costs are allocated on the basis of the full time equivalent (FTE) of staff allocated to the resource and are reflected in the totals shown in note 6.

### 8 Analysis of staff costs and key management personnel

	2019 £	2018 £
Wages and salaries	1,071,127	2,305,919
Social security costs	87,753	181,146
Pension costs	56,922	146,955
	<u>1,215,802</u>	<u>2,599,475</u>

The charity trustees were not paid any other benefits from employment with the charity in the year (2018: £Nil) neither were they reimbursed expenses during the year (2018: £Nil).

The average monthly head count was 58 (2018:128).

No employees received employee benefits excluding pension contributions over £60,000 (2018: £Nil).

The charity considers that the key management personnel comprise the trustees and senior management team. The total employee benefits of key management personnel of the charity were £235,516 (2018: £291,616).

Other Staff related costs include redundancy payments of £10,668 and non-contractual severance payments of £16,000. All amounts were paid in the period and are recognised on the basis set out in accounting policy 1 (h).

### 9 Net income

	2019 £	2018 £
Net income is stated after charging:		
Depreciation	45,367	28,442
Operating lease payments	57,767	63,632
Auditors remuneration:		
- for audit services	6,250	6,250
- for accountancy services	-	-
	<u>-</u>	<u>-</u>

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

### 11 Tangible fixed assets

	Leasehold Improvements £	Motor Vehicles £	Caravans £	Furniture & Equipment £	Computers £	Total £
<b>Cost or revaluation</b>						
At start of year	14,135	16,200	80,917	81,523	80,131	272,906
Additions	547,780	38,705	-	-	19,343	605,525
<b>At end of year</b>	<b>561,612</b>	<b>54,905</b>	<b>80,917</b>	<b>81,523</b>	<b>99,474</b>	<b>878,431</b>
<b>Depreciation</b>						
At start of year	14,135	14,768	67,144	78,405	41,087	215,539
Charge for the year	4,536	10,034	3,442	780	26,573	45,367
<b>At end of year</b>	<b>18,671</b>	<b>24,802</b>	<b>70,586</b>	<b>79,185</b>	<b>67,660</b>	<b>260,902</b>
<b>Net book value at the end of the year</b>	<b>542,941</b>	<b>30,103</b>	<b>10,331</b>	<b>2,340</b>	<b>31,814</b>	<b>617,529</b>
Net book value at the start of the year	-	1,432	13,773	3,118	39,044	57,367

### 12 Investment in subsidiary

	Investment in Subsidiary £
At 1 April 2018	1
Addition	-
At 31 March 2019	<u>1</u>

See note 24 for further details

### 13 Debtors

	2019 £	2018 £
Trade debtors	48,665	654,943
Prepayments and accrued income	73,798	30,581
	<u>122,463</u>	<u>685,524</u>

### 14 Bank

	2019 £	2018 £
Current Account and cash	962,669	959,247
Deposit Account	307,839	306,775
	<u>1,270,508</u>	<u>1,266,022</u>

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

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

	2019 £	2018 £
Creditors and accruals	170,470	241,434
Deferred income	283,396	220,191
Amounts owed to subsidiary undertaking	1	1
Taxation and social security	18,522	46,657
	<u>472,389</u>	<u>508,283</u>

Deferred income comprises contract income received in advance for contracts to be performed in future accounting periods.

Balance brought forward	220,191	790,804
Amount released to the Statement of Financial Activities	(220,191)	(790,804)
Amount deferred in the year	283,396	220,191
Balance carried forward	<u>283,396</u>	<u>220,191</u>

### 6 Restricted funds

	Balance at the start of the year	Income	Expenditure	Transfers	Balance at end of the year
<b>2019:</b>					
Young persons	81,096	1,477,625	(1,439,848)		118,873
Adult Services	604,202	440,279	(444,959)		635,522
Voice box and Vehicles	21,074	-	(3,443)		17,631
<b>Total</b>	<u>742,372</u>	<u>1,917,904</u>	<u>(1,888,250)</u>		<u>772,026</u>
<b>2018:</b>					
Young persons	96,892	1,323,020	(1,338,816)		81,096
Adult Services	284,295	2,789,167	(2,209,510)	(223,750)	604,202
Voice box and Vehicles	25,665	-	(4,591)	-	21,074
<b>Total</b>	<u>406,852</u>	<u>4,112,187</u>	<u>(3,552,917)</u>	<u>(223,750)</u>	<u>742,372</u>

#### Young Persons service covers three main areas:

- The provision of informal advice and outreach to young people in schools and clubs. This is funded from a number of sources including Suffolk and Norfolk County Councils, Comic Relief, and various charitable trusts.
- The Unity project is funded by the Norfolk DAAT and identifies and works with vulnerable young people.
- On Track is part of the Building Better Opportunities (BBO) programme which is funded by the European Social Fund (ESF) and Big Lottery. The Matthew Project is the lead partner on this project. We were awarded the funding in January 2017 and the project runs until December 2019.

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

---

### ***Adult Services covers the following areas:***

- i) A service to Persistent and Prolific offenders in Norwich funded by Norfolk Constabulary as well as a Recovery Worker in the Control Room.
- ii) Outside the Wire provides advice and support to members and ex-members of the Armed Forces and their families. It is currently funded by the Royal British Legion, the Armed Forces Covenant Fund, ABF The Soldiers' Charity, and HM Treasury (using Libor funds).
- iii) The Recovery Hub fund is for the purchase and development of a building for use by the Recovery Hub service.

### ***Voicebox and vehicles:***

One voicebox caravan (and towing vehicle) is used in work to educate and support young people throughout Norfolk. The balances on the funds will cover future depreciation of these assets which were originally purchased using restricted funds.

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

### 17 Unrestricted funds

	Balance at the start of the year	Income	Expenditure	Transfers	Balance at end of the year
<b>2019</b>					
General fund	758,259	162,321	(154,495)		766,085
					-
<b>2018</b>					
General fund	581,991	31,575	(79,057)	223,750	758,259

The general reserve represents funds of the charity which are provided on an unrestricted basis. It includes donations, fund raising and surpluses and deficits arising from projects funded from various external sources.

### 18 Net assets by funds

	Unrestricted funds	Restricted funds	Total funds 2019
<b>2019</b>			
Tangible fixed assets	82,070	535,459	617,529
Fixed asset investment	1	-	1
Net current assets	684,014	236,567	920,581
	766,085	772,026	1,538,111
<b>2018</b>			
Tangible fixed assets	43,954	13,773	57,367
Fixed asset investment	1	-	1
Net current assets	714,664	728,599	1,443,263
	758,259	742,372	1,500,631

### 19 Corporate Status

The company is a registered charity (No. 1122801) incorporated under the Companies Acts and limited by guarantee. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

### 20 Pension costs

The Charity operates a defined contribution scheme in respect of certain of the Charity's employees.

Contributions are charged in the accounts as incurred and totalled £56,922 (2018: £127,412). There were outstanding contributions at the balance sheet date of 31 March 2019 of £5,645 (2018 :£14,038).

### 21 Financial commitments

At 31 March 2019 the charitable company was committed to making payments under non-cancellable operating leases as

Land and buildings	2019 £	2018 £
Operating leases which expire:		
Within one year	8,845	
Between two and five years	24,576	17,201
More than five years	333,779	
	367,200	17,201



## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

### 22 Related Party transactions

The Matthew Project has recharged £5,525 (2018: £5,364) to Jenny Lind Park Community Project Management Group, for salaries. Paul Hoey, trustee of The Matthew Project, is a member of this Group.

### 23 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net expenditure	37,480	511,788
<b>Adjustments:</b>		
Depreciation	45,367	28,442
Investment income	(1,064)	(728)
(Increase)/decrease in debtors	563,060	227,051
Increase/(decrease) in creditors	(35,893)	(421,247)
<b>Net cash (provided by)/used in operating activities</b>	<b>608,950</b>	<b>345,306</b>

### Principal subsidiary

### 24

Subsidiary name	Matthew Project Enterprises Limited
Incorporated in	England and Wales
Company number	10840324
	Share
Basis of control	capital
Equity Shareholding %	100%
Total assets as at 31 March 2019	£1
Total liabilities as at 31 March 2019	£0
Total equity as at 31 March 2019	£1

The company is dormant.

