COMPANY REGISTRATION NUMBER: 7661145
CHARITY REGISTRATION NUMBER: 1143789

Pennywell Youth Project

Company Limited by Guarantee

Unaudited Financial Statements

31 March 2019

CENSIS
Chartered accountant
Exchange Building
66 Church Street
Hartlepool
TS24 7DN

Pennywell Youth Project

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2019

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Pennywell Youth Project

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2019

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2019.

Reference and administrative details

Registered charity name	Pennywell Youth Project
Charity registration number	1143789
Company registration number	7661145
Principal office and registered office	St Thomas Petersfield Road Sunderland SR4 9BB

The trustees

A Langton
P Smith
B Fearn
F W Chilton
S A Semley
T Smallwood
Rev J D Chadd

Accountants	Censis Chartered accountant Exchange Building 66 Church Street Hartlepool TS24 7DN

Structure, governance and management

Governing Document
Pennywell Youth Project has been a charitable organisation regulated by the constitution dated 16th September 1992 and amendments in 1994. It is a registered charity with the Charity Commission of England & Wales. The Trustees felt it beneficial that they should also be a Company Limited by Guarantee and was registered with Companies Houses on 7th June 2011, hence its new charity number. It is now governed by its Articles of Association.

Incorporation
The charity incorporated as a limited company on 7 June 2011 and gained charitable status on 13 September 2011.

Structure, governance and management ***(continued)***

Appointment of Trustees
As stated in the Articles, the first Directors are those persons notified to Companies House as the first Directors of the Charity. A Director must be a natural person aged 16 years or older and support the Objects of the charity. No one maybe appointed a Director if he or she would be disqualified from acting under the provisions of Article 18. The Directors shall not be less than three and (unless otherwise determined by ordinary resolution) shall be subject to a maximum of twelve. A Director may not appoint an alternate Director or anyone to act on his or her behalf at meetings of the Directors. The Director may appoint any person who is willing to be a director.

Directors Induction and Training
Most directors are already familiar with the practical work of the charity through accessing information and services and some have been involved with the project as volunteers for many years. Each new director will meet with the Chair Person who will carry out a formal induction process that includes; an overview of the Articles of Association, organisational structure, current policies and procedures, financial update and procedures and strategic project plans. Directors are also provided with training regarding roles and responsibilities as well as being invited to attend addtional planning and training days that may arise throughout the year.

Organisational Structure
The director's meet regularly, usually every four weeks and is responsible for the strategic direction and policy of the charity. The director's delegate day to day responsibility to the Project Manager and ensures that financial and administrative procedures are adhered to and that the provisions of services are efficient and appropriate. In addition, specific roles and responsibilities are allocated to development workers who ensure action plans are met and that the team members continue to develop their skills and working procedures in line with good practice.

Related Parties
Pennywell Youth Project has strong relationships with statutory and voluntary organisations in terms of funding and support. These networks ensure that programmes are developed in partnership to meet the aims and objectives of the organisations as well as the needs of the local community.

Objectives and activities

The charity's objects are in the interests of social welfare to provide for the benefit of the Pennywell and surrounding areas, city-wide and regional to Tyne & Wear (area of benefit) a youth project the purpose of which is to:

- Promote therein and in the area of benefit and in particular to encourage provision for the benefit of the young people so as to relieve poverty, advance education and improve the condition of life for the said inhabitants.

- Redress all forms of inequality and to ensure equality of opportunity for all young people to fulfil their potential as empowered individuals and members of groups and communities, and to support young people during the transition to adulthood.

Public Benefit
In planning our activities for the year we kept in mind the Charity Commission's guidance on public benefit at our trustee meetings.

Our attention this year was to meet and identify the social and economic needs of Pennywell.

Aims and Objectives

We aim to:

- Deliver services to increase the employability of young disadvantaged people.
- Encourage young people to become more independent, improve their self-esteem and confidence.
- Support young people and their families by providing information and programmes that will allow them easy access services and training.
- Combat anti-social behaviour through learning life-skills, personal development and additional training activities.
- Offer services to the local community that improve health, well-being and the social and economic position of residents.

Objectives and activities ***(continued)***

Charitable Objects and Mission
Pennywell Youth Project is an established community resource for young people designed to support them in their transition into adulthood and enhance their life chances and opportunities. We work with young people who face extreme disadvantage because of their encomic and social position, have many daily complex challenges, and often lead chaotic and disorganised life styles, leading to risky lifestyle choices and being disproportionality at risk. Family structures are often fragmented and fragile resulting in young people lacking a sense of identity and self worth, experiencing poor outcomes, and failing to reach their full potential. We have recently ammended our charitable objectives to include community provision including adult learning.

Need & Our Services
The Pennywell estate and families across St Anne's ward continue to experience high levels of deprivation with multi generation unemployment continuing in the neighbourhood and we provide early interventions for vulnerable or potentially vulnerable young people and adults through:

- children's play and youth work
- a range of formal and informal education, learning opportunities, and accredited training employability programmes
- a community drop-in
- adult learning

Our Approach
Our model of working is to provide a seamless pathway from work with junior youth club members through to senior youth work leading into informal and formal education provision, training and employability skills work.

Established on the Pennywell estate in St Anne's ward for over 20 years, the charity has seen its progression and development from a small office into its own purpose built building over two floors in 1.4 acres of land. We have, and continue to, develop relationships with partner agencies and funders to maintain our role and reputation as a lead agency, being the lead partner on various funding bids and contracts to deliver projects and services to children, young people, and young adults across some of the most disadvantaged neighbourhoods on Wearside.

Our Values
Pennywell Youth Project's work with children, young people and young adults is about actively improving the life chances and experiences of young people and young adults. Our services are designed to improve outcomes for young people and the local community and underpinning this business plan is our commitment to:

- equality and inclusion through young people having a voice in influencing decisions that affect them and their community

- partnership work with a range of statutory and voluntary agencies to deliver a high quality and appropriate programme of support

- achieving the best value for available resources

Objectives and activities *(continued)*

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

Pennywell Youth Projected is located in the St Anne's electoral ward. The poorest area in the St Anne's Ward is nationally ranked 936 out of 32,844 for Employment, 361 for Education, Skills and Training and 394 for income out of 32,844 (one being the most deprived 32,844 being the least). The evidence demonstrates that local residents are at a disproportionate risk, lacking a sense of identity and self worth. As a result many experience poor outcomes and fail to reach their full potential.

Community members are particularly marginalised by social and economic circumstances, and at risk of social exclusion. They lack confidence, aspirations, and skills and are often in families of multi generational unemployment.

Some residents are very isolated and lack support. Coming together enables them to spend time with others, engage in positive activities and bring members of the community together. High levels of poverty and intergenerational unemployment has fostered low self esteem and confidence leading to low aspirations. Community activities allow the local residents to come together and break down some of the barriers and break the culture of apathy and dependency.

Many come with complex issues as result of living in a challenging environment. Being part of this programme and organisation has equipped them with skills to deal with issues in their overall lives. It has helped with depression, anxiety, improved general motivation for life and attitude, gave them a sense of pride in their achievements and a sense of belonging, it is very much community led. We know that young people feel isolated from their families as they are fragmented and chaotic and family members also suffer from loneliness and maladaptive behaviours. We are experiencing a number of young people and local residents who have a fragmented sense of self. These young people are affected by trauma and have a distorted view of themselves, others and the outside world. Chaotic family units have had an impact on their emotional well being and social capability. Family life reflects these factors resulting in young people experiencing wounded and rejected relationships with family members, community members, professional practitioners, teachers, peers and others they may come across.

Every child has a need for safety, security, and stability in order to reach their potential in all aspects of development. Children learn a lot about their value and purpose as a direct result of their parents and carers actions and emotional attitude to them. A parent or care giver needs to provide a level of 'good enough' care meaning that they are able to attune to, attend to and satisfy the basic needs of the child adequately. Through consistency of care the child will acquire a sense of security and confidence in the world and be able to negotiate developmental milestones. Many of our children are exposed to overt parental conflict, family breakdowns, inconsistent discipline, hostile and rejecting relationships, parental criminality-substance misuse and mental illness. This affects their ability to provide consistent and adequate care resulting in young people frequently being excluded from school, in 'crises', attachment disorders, poor sense of self, show over reactive responses to to difficulties or conflicts that can result in aggressive behaviours, difficulty trusting others, heightened sense of justice - over sensitive to potential 'disrespect', don't respond consistently to the use of rewards and sanctions.

Many children, young people and family members face these circumstances that isolate participants including issues leading to challenges with mental health, risk taking behaviours, self-confidence, sense of belonging, apathy and motivation.

Achievements and performance *(continued)*

Due to the elevated level of deprivation, unemployment and low education attainment throughout the area we know that residents are vulnerable and at an elevated risk, they struggle with a range of issues which have a detrimental impact on their daily lives. We have identified many residents often feel isolated, and unable to cope, they are reluctant to seek professional help as they fear this may have a negative impact on their family, or personal circumstances. This reduces their ability to undertake everyday tasks, engage in community life and provide a stable home environment for their children.

Their social and economic status often compounds and creates more and complex barriers to accessing life chances and opportunities. The loosening of social constraints has produced a new set of risks which people have to negotiate in their everyday lives. Our residents and young people are at risk of being marginalised within society, its structures and institutions and face macro and micro levels of class discrimination.

We have operated in the heart of the community for over 30 years and are well known and trusted by local residents. We are a very well established and trusted organisation on the estate. Community members trust in the staff because they have either lived or still live on the estate and used to be participants of the organisation and then volunteers, eventually become qualified paid members of staff. We can make a difference because people value and believe in the work that we do as many have been a a recipient of our provision or know someone who has been. Many staff hold dual qualifications in both youth and community work and teaching. Our model of working is to provide a seamless pathway from work with junior youth club members through to senior youth work leading into informal and formal education provision, training and employability skills work and community programmes.

We have, and continue to, develop relationships with partner agencies and funders to maintain our role and reputation as a lead agency, being the lead partner on various funding bids and contracts to deliver projects and services to children, young people, and adults across some of the most disadvantaged areas.

Staff are equipped and skilled to deal with the complex, challenging nature of the work. They are well experienced and qualified to deliver our broad range of services, demonstrating an excellent capacity to develop, maintain and engage all of our participants.

We are the only community facility that is open 7 days a week and all of its programmes are completely free of charge.

We deliver a range of programmes 7 days a week for young people and local residents, all programmes are free of charge and offer light snacks and refreshments. The three mains barriers to people participating in programmes and gaining qualifications are institutional, situational and dispositional.

- Institutional: a system unresponsive to the needs of participants in terms of teaching and learning strategies, timetabling and delivery of programmes. (we understand our residents lack skills, and fear of learning institutions). We also have dual qualifications and experience in community-based teaching and delivering programmes.

- Situational: time available for attendance, cost of courses and lack of transport (We are cost free, based in the community provide flexible programme as well as structured activities).

- Dispositional: problems of attitude, negative perceptions of learning and motivation (we provide positive experiences of learning to challenge and change problems of attitudes).

Achievements and performance *(continued)*

Pennywell Youth Project:

- delivers centre based youth activities attracting 130 young people each week (Monday and Wednesday 5- 7.30pm, Friday and Saturday 5-9pm and Sunday 11.30 - 5.30pm)
- run two junior groups (Tuesday and Wednesday 3.15 - 4.45pm)
- deliver an employment pathway programme for young people aged 16-25 (Drop In Monday and Friday 12 - 2.30pm). We work with over 100 young people a year.
- manage a contract with Sunderland College to deliver an Employability Course for 16 young people aged 16-19 that spans the full academic year and includes GGSE Maths and English (Tuesday to Thursday 9am - 4pm)
- provide both formal and informal learning opportunities to local people and the wider area
- are the lead provider delivering the governments and Big Lottery YIF (Youth Investment Programme) programme in west Sunderland until 2020
- provide a free community cafe 2 days a week for local residents who are unemployed to reduce unemployment and move them closer to the job market (Monday and Friday 9am - 3pm). Over 250 individuals a year visit our cafe with an average attendance of 65 a week many facing social isolation
- Perfect Harmonies Community Choir, ran by volunteers (Friday 12.45 - 2.45pm)
- Coffee morning fortnightly, ran by volunteers (Wednesday 9.30 - 11.30am)
- Community Champion works one to one with community members 24 hours a week to provide bespoke support in removing personal barriers to employment and also provides training and learning opportunities for participants to acquire skills and qualifications.
- 6 days a week we collect the unsold produce from Greggs and deliver it to those families in the estate who are most in need.
- Host 15 community events a year

Achievements and performance *(continued)*

We deliver centre based and street youth provision across the west attracting over a 1,000 indviduals a year. Our employment pathway programme for young people aged 16 - 25 offers intensive one to one support to move young people into employment and gain appropriate qualifications, skills and experience. They can receive help with CV's, job interviews and job seraches. Our contract with Sunderland College provides an Employability Diploma for 16 young people aged 16-19 that spans the
full academic year, mincluding the delivery of GGSE maths and English. We are the lead provider delivering the YIF (Youth Investment Programme) programme in the west until 2020.

Our youth work programme aims to encourage participation in positive recreational and educational activities, broaden horizons providing a wide range of experiences, raise awareness of the potential consequences of risk-taking behaviour and provide information; guidance, support to enable young people make informed life choices.

The Community Champion aims to reduce isolation, and improve community capacity, by encouraging all residents, to participate and contribute to community life by participating in our programmes. It's aimed at those who are furthest away from the job market,

Juniors creates a safe space where children can play, interact with the environment and others. We want our children to be inquisitive, develop a questioning relationship within their learning about themselves, their community, their world and others. It enables children to extend their play so they can experiment, explore, and test themselves physically and emotionally within a social environment. Junior and youth work activities include arts and craft, music, team games, sports, cooking and out of of centre activities, life skills, health, citizenship and other related workshops.

Each project activity has its own bespoke tracking system to allow for accurate recording, reporting, monitoring, and progressions. In the last year we have reported to Gateshead Council, Sunderland Council, Sunderland College and the Big Lottery. Two examples of products that we use are ProMonitor, engineered by Compass Computer Consultants Ltd it is one of the UK's leading providers of IT management systems and used by 90% of English colleges. Another is IYSS (Integrated Youth Support Services) it is a comprehensive Project and Sessions database that records youth activities along with plans, aims and objectives, membership lists, dynamic attendance lists and evaluation records.

Multiple session records can be associated with any activity record each having an attendance list for young people, staff and volunteers; as well as a non-attendance list and the ability to create and evaluate outcomes for young people.

Each session can be further divided into sub-sessions each having their own plans, evaluation and attendance records (IYSS is a soft ware package created by Career Vision and Sunderland Council holds the license for Pennywell Youth Project). Staff meetings, review meetings, contract and partnership meetings, project reports and monthly reporting to the board of directors' enables the organisation to analyse and use the information to improve services for beneficiaries.

We also have a youth forum, steering group for the community provision, suggestion boxes, surveys and consultations to gain feedback from people accessing our provision. On a bi monthly basis we facilitate a user group meeting and this is an opportunity for each of the groups to provide a representative to provide feedback on the programmes we deliver and there effectiveness with participants. We also undertake self assessments and use this information to produce a Quality Improvement Plan. We monitor impact and progression over a period of time and use case studies and Individual Learning Plans (ILP's) to capture the development and progress of our beneficiaries.

Achievements and performance *(continued)*

Throughout the delivery of the programme we constantly monitor, review and evaluate our service and delivery. All service users are requested to complete baseline and exit questionnaires to identify strengths and areas for development, which problems are more prevalent, why they chose to use our service and what additionality we can offer.

The outcomes from our work impact on young people's and adult's personal development, their health and wellbeing, and their employability skills and opportunities. We make a difference to the lives of disadvantaged young people and local residents by:

- providing accredited and other informal training opportunities that lead to **increased employability skills and qualifications**
- providing information and programmes that **will increase access to services and training and reduce the NEET (not in employment, education or training) figure**
- 1:1 and peer support to **improve self-esteem and confidence** to become more independent
- guidance on personal development and life-skills that leads to **reduced anti-social behaviour**
- providing a safe, supportive environment where they can make appropriate lifestyle choices linked to **improved health and well-being**
- increased access to a wide range of activities, opportunities and experiences that support them to **make positive and constructive choices**
- increased access to sexual health support and information that helps them make **informed choices**
- offering a wider range of experiences that **increase their personal and social development**

Additional Outcomes

- Young residents in the area feel safe and have a sense of belonging
- Young people contribute to the richness of community life and attend community events
- Young people learn to love and respect where they live
- Improved community cohesion
- Reduction of anti social behaviour issues
- The community believe and Pennywell Youth Project and that we invest in young people and their future, nurturing aspirations.
- We can demonstrate excellent value for money
- Our vast experience, reputation and knowledge of the local community and community providers enables us to harness relationships with local residents including young people
- Local providers can provide bespoke provision as they have in depth knowledge and experience of addressing the social, political and economic challenges that struggling communities face, particularly in the current climate of recent austerity measures.
- The local area becomes a more attractive community where people want to live, visit and work
- Young people take more responsibility ensuring that their community is clean and safe

The main outcomes of the Adult Learning are:

- local residents have increased skills and qualifications
- residents will have easier access to programmes and services, increasing their chances of progression, inspiring new talents and move closer to the labour market
- residents will gain greater control over their community and have a better understanding of the issues affecting their social and economic position
- residents will have improved social skills that will help them to positively integrate into their local community and wider networks

Achievements and performance *(continued)*

Our model of delivery builds on good practise from prior community engagement and young peoples' programmes. It is an elevated approach from other programmes as it moves participants into intergenerational programmes, enhances community capacity and extends opportunities within the organisation to reach more residents and facilitate more activities that will reduce isolation, loneliness, anxiety, poverty and hunger, unemployment, underachieving, improved resilience, health and well being, community capacity and participation. It will create capacity within our programmes to provide the access they need to a key person so that we can support some of the distorted perceptions they have learned about themselves, others and the world around them. We want to be able to provide the richest depths of experiences life can offer and for them to have rewarding experiences, so they can develop a confident and generous view of themselves, others and society, to look forward to their future. We need to be able to focus on the varying needs of the complexities of those that require support and to provide intervention rather than expecting them to move to or adjust to institutionalised models of delivery.

Financial review

All funds held by the charity have been applied to charitable purposes or for the necessary administrative and management support functions that are sanctioned by the Management Committee of Pennywell Youth Project. Any income, which has been allocated for the purpose of fixed assets, have been capitalised.

The fixed assets held by the charity are used solely for charitable purposes. Capital funds arise from donations that are held to be used to purchase fixed assets for use by the charity as deemed appropriate by the trustee's.

Funding has been provided through several main channels under the following headings:

- Sunderland College
- Sunderland City Council
- Lloyds Foundation
- Charities Trust
- Big Lottery Fund
- 29th May 1961 Charity
- BBC Children In Need
- E C Graham Belford
- People's Health Trust

In order to secure sustainable programmes, because of long term funding; a proactive strategy of involvement with other agencies, both statutory and non-statutory, is being pursued to ensure that the Charity remains at the heart of the community in order to realise its objects and therefore maximise funding for the programme.

At 31 March 2019 the unrestricted reserves of the charity amounted to £37,756; the free reserves (that is those not tied up in fixed assets) amounted to £23,239. The Statement of Funds show a defict for the year of £62,226 (2018 - £15,090), the reason for the deficit being much higher this year is:

1. We worked in partnership with another organisation and had to pay a member of staff's salary but where paid by the partner organisation in arrears across two financial years.

2. Sunderland College are a large financial contributor and they also pay in arrears across an academic year from August to July, our reporting period is April to March.

3. We have had an unusual amount of long term sickness and have had to cover areas of work. This is a rare occurrence for the project.

4. A group of young people undertook an expedition to Gambia in December 2018, 80% of the participants raised funds required but we had to subsidise the costs including staff costs.

5. We have a large building that is 16 years old and whilst its very new compared to some community buildings, there has been no major building work, updates or repairs since its construction. In this financial year we have had to repair heating, replace steel entrance doors and frames including roller shutters. We have also replaced our CCTV system.

Reserves policy
The directors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 3 to 6 months of the resources expended. At this level, the directors fee that they would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how funding would be replaced or activities changed.

Investment policy
The Directors have the power to invest any funds not immediately required for its objectives, to obtain maximum profitability.

Risk Management
Pennywell Youth Project (PYP) is rooted within the local community and has delivered a broad range of services and opportunities to children and young people living in the St Anne's Ward for more than 30 years. Over the past eight years the organisation has consistently met, and in some instances, overachieved against its contracted targets. Our purpose built youth centre offers a safe, warm and emotionally secure environment to provide a range of programmes and activities to enhance young people's growth and development. Our building is open 7 days of the week, providing facilities and support for children and young people with diverse needs. Our building is well equipped and provides young people with facilities to enhance their personal, social, emotional, physical, and creative development. The layout of the building enables workers to undertake one-to-one work and issue-based group work sessions alongside mainstream youth club provision. Over the years PYP has invested considerably in the area and its young people and we have a history and relationship with the community. Over the past few years the Pennywell Youth Project has further developed local partnership working, sharing information and resources in response to local young people's needs and providing a forum for collaborative working to extend and enhance the range of services available to children and young people. Partnership working arrangements are underpinned by Service Level Agreements. Our staff have a range of qualifications that are updated through Contuinous Proffessional Developement. We do not rely and any single funding streams and apply to a diverse range of trusts, chariites and foundatation.

Financial review ***(continued)***

Our financial management system is to safeguard the funds secured by the business, its assets and financial stability. The management system allows the business to accurately report the financial and target driven outputs/outcomes to the various trusts that fund the organisation. Each year the accounts are independently audited and published on the charities commission website for public viewing and scrutiny and those of the last few years which include previous funders. The management system covers the following business responsibilities when receiving the grants and payment for goods and services.

1) Complete and current disclosure of a project's financial results

2) Create accounting records regarding the source of the grant award

3) Maintain accounting records for use of the grant funds (expenditures, obligations, assets, interest and income)

4) Manage accountability in regards to grant funds to be used specifically for the awarded project

5) Show written procedures for allocation of costs when following the grant award terms and conditions

6) Maintain cost accounting records

In addition to showing expenditures and uses of the grant awards, we may also engage in internal cost sharing and full cost recovery of the projects activities. With an effective management system, we can keep track of the grant award funds and matching business funds used for the project.

The Directors have reviewed the major risks to which the charity is exposed and continues to monitor the arrangement and systems in place to mitigate those risks.

Financial review *(continued)*

The trustees' annual report and the strategic report were approved on 12 December 2019 and signed on behalf of the board of trustees by:

S A Semley
Trustee

Pennywell Youth Project

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Pennywell Youth Project

Year ended 31 March 2019

I report to the trustees on my examination of the financial statements of Pennywell Youth Project ('the charity') for the year ended 31 March 2019.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

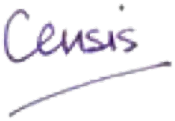
1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or

2. the financial statements do not accord with those records; or

3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or

4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



CENSIS
Chartered accountant

Exchange Building
66 Church Street
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TS24 7DN

Pennywell Youth Project

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 March 2019

	Note	2019 Unrestricted funds £	2019 Restricted funds £	2019 **Total funds** £	2018 Total funds £
Income and endowments					
Donations and legacies	**5**	7,972	273,514	281,486	294,467
Other trading activities	**6**	3,033	–	3,033	8,866
Total income		11,005	273,514	284,519	303,333
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	**7**	1,990	–	1,990	2,746
Expenditure on charitable activities	**8**	30,342	314,453	344,795	315,677
Total expenditure		32,332	314,453	346,785	318,423
Net expenditure		(21,327)	(40,939)	(62,266)	(15,090)
Transfers between funds		2,421	(2,421)	–	–
Net movement in funds		(18,906)	(43,360)	(62,266)	(15,090)
Reconciliation of funds					
Total funds brought forward		56,662	526,664	583,326	598,416
Total funds carried forward		37,756	483,304	521,060	583,326

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

The notes on pages 21 to 30 form part of these financial statements.

Pennywell Youth Project

Company Limited by Guarantee

Statement of Financial Position

31 March 2019

		2019 £	2018 £
Fixed assets			
Tangible fixed assets	**13**	456,880	473,826
Current assets			
Cash at bank and in hand		67,863	110,397
Creditors: amounts falling due within one year	**14**	3,683	897
Net current assets		64,180	109,500
Total assets less current liabilities		521,060	583,326
Net assets		521,060	583,326
Funds of the charity			
Restricted funds		483,304	526,664
Unrestricted funds		37,756	56,662
Total charity funds	**15**	521,060	583,326

For the year ending 31 March 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 12 December 2019, and are signed on behalf of the board by:

S A Semley
Trustee

Pennywell Youth Project

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2019

	2019	2018
	£	£
Cash flows from operating activities		
Net expenditure	(62,266)	(15,090)
Adjustments for:		
Depreciation of tangible fixed assets	19,517	19,886
Changes in:		
Trade and other creditors	2,786	(529)
Cash generated from operations	(39,963)	4,267
Net cash (used in)/from operating activities	(39,963)	4,267
Cash flows from investing activities		
Purchase of tangible assets	(2,571)	(3,602)
Net cash used in investing activities	(2,571)	(3,602)
Net (decrease)/increase in cash and cash equivalents	(42,534)	665
Cash and cash equivalents at beginning of year	110,397	109,732
Cash and cash equivalents at end of year	67,863	110,397

The notes on pages 21 to 30 form part of these financial statements.

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Thomas, Petersfield Road, Sunderland, SR4 9BB.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- 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.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

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

Long leasehold property	-	2% straight line
Equipment	-	25% reducing balance

4. Limited by guarantee

Pennywell Youth is a company limited by guarantee and accordingly does not have any share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceasess to be a member.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2019 £**
Grants			
Connect Sunderland College	–	60,273	60,273
Adult Learning	1,100	–	1,100
The Peoples Health Trust	–	27,480	27,480
Lloyds Foundation	–	22,557	22,557
BBC Children in Need	–	17,960	17,960
Big Lottery - Stepping Stones	–	49,821	49,821
Big Lottery - YIF	–	76,923	76,923
LA7	2,872	–	2,872
Community Chest	–	1,072	1,072
The 29th May Charitable Trust	4,000	–	4,000
Sunderland City Council - SIB West	–	17,428	17,428
	7,972	273,514	281,486

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
Donations	6,010	–	6,010
Catherine Cookson	250	–	250
Exilarch's Foundation	200	–	200
R S Brownless	200	–	200
Syder Trust	2,000	–	2,000

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Grants			
Connect Sunderland College	–	45,587	45,587
Hospital of God Greatham	–	3,000	3,000
Sunderland Council	4,389	–	4,389
The Rothley Trust	1,100	–	1,100
DCR Allen Charitable Trust	2,500	–	2,500
The Peoples Health Trust	–	14,992	14,992
Lloyds Foundation	–	22,298	22,298
Sir John Preistman	5,000	–	5,000
Robert Gavron	1,800	–	1,800
Hartley Charitable Trust	5,000	–	5,000
Mirianog Trust	1,000	–	1,000
BBC Children in Need	–	15,124	15,124
Big Lottery - Stepping Stones	–	39,958	39,958
Big Lottery - YIF	–	76,212	76,212
Ballinger Charitable Trust	8,000	–	8,000
LA7	3,000	–	3,000
Virgin Money	100	–	100
Sir James Knott Trust	–	5,000	5,000
Sunderland Council Public Health	–	10,000	10,000
Sir Jules Thorn	–	750	750
The 29th May Charitable Trust	4,000	–	4,000
Sunderland City Council - SIB West	–	12,076	12,076
Holiday Hunger Sunderland City Council	4,500	–	4,500
Sunderland City Council	–	421	421
	49,049	245,418	294,467

6. Other trading activities

	Unrestricted Funds £	**Total Funds 2019 £**	Unrestricted Funds £	Total Funds 2018 £
Fundraising events	–	–	4,661	4,661
Tuck shop	1,706	1,706	1,428	1,428
SOFC	–	–	1,750	1,750
Room hire	–	–	460	460
Other	1,327	1,327	567	567
	3,033	3,033	8,866	8,866

7. Costs of other trading activities

	Unrestricted Funds £	**Total Funds 2019 £**	Unrestricted Funds £	Total Funds 2018 £
Tuck shop	1,721	1,721	2,336	2,336
Staging events - purchases	269	269	410	410
	1,990	1,990	2,746	2,746

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2019 £**
General Fund	14,535	–	14,535
Stepping Stones	–	60,684	60,684
Connect	–	63,129	63,129
Sunderland City Council SIB	15,807	–	15,807
Pennywell Youth Project Building	–	15,036	15,036
Youth Investment Fund	–	88,429	88,429
BBC Children In Need	–	18,512	18,512
People's Health Trust	–	35,806	35,806
Community Led Local Development	–	6,858	6,858
Lloyds Foundation	–	18,100	18,100
SIB West	–	7,899	7,899
	30,342	314,453	344,795

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
General Fund	79,725	–	79,725
Virgin Money Foundation	–	14,601	14,601
Stepping Stones	–	36,910	36,910
Sunderland Council Mental Health/One to One work	–	551	551
LA7	3,602	–	3,602
Connect	–	61,588	61,588
Pennywell Youth Project Building	–	15,036	15,036
Youth Investment Fund	–	45,383	45,383
BBC Children In Need	–	9,242	9,242
People's Health Trust	–	8,189	8,189
Lloyds Foundation	–	22,298	22,298
SIB West	–	17,802	17,802
Adult Learning	–	750	750
	83,327	232,350	315,677

9. Net expenditure

Net expenditure is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	19,517	19,886

10. Independent examination fees

	2019	2018
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	840	840

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019	2018
	£	£
Wages and salaries	184,235	169,884
Social security costs	11,423	5,160
	195,658	175,044

The average head count of employees during the year was 9 (2018: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2019	2018
	No.	No.
Charitable activities	9	8

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

13. Tangible fixed assets

	Long leasehold property £	Equipment £	**Total £**
Cost			
At 1 April 2018	751,809	249,992	1,001,801
Additions	–	2,571	2,571
At 31 March 2019	751,809	252,563	1,004,372
Depreciation			
At 1 April 2018	294,410	233,565	527,975
Charge for the year	15,036	4,481	19,517
At 31 March 2019	309,446	238,046	547,492
Carrying amount			
At 31 March 2019	442,363	14,517	456,880
At 31 March 2018	457,399	16,427	473,826

14. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	702	702
Other creditors	2,981	195
	3,683	897

15. Analysis of charitable funds

Unrestricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	**At 31 March 2019 £**
General funds	40,799	8,133	(17,332)	2,421	34,021
LA7	(602)	2,872	–	–	2,270
Sunderland City Council SIB	16,465	–	(15,000)	–	1,465
	56,662	11,005	(32,332)	2,421	37,756

15. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	**At 31 March 2019 £**
Virgin Money Foundation	(713)	–	–	–	(713)
Stepping Stones	31,201	49,821	(60,684)	–	20,338
Sunderland Council Mental Health/ One to One Work	7,108	–	–	–	7,108
Connect	(17,001)	60,273	(63,129)	(221)	(20,078)
Small grants	2,200	–	–	(2,200)	–
Pennywell Youth Project Building	457,399	–	(15,036)	–	442,363
BBC Children in Need	5,882	17,960	(18,512)	–	5,330
Youth Investment Fund	30,829	76,923	(88,429)	–	19,323
People's Health Trust	15,064	27,480	(35,806)	–	6,738
Lloyds Foundation	–	22,557	(18,100)	–	4,457
SIB West	(5,726)	18,500	(7,899)	–	4,875
Sunderland Council SIB	421	–	–	–	421
Community Led Local Development	–	–	(6,858)	–	(6,858)
	526,664	273,514	(314,453)	(2,421)	483,304

16. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2019 £**	Total Funds 2018 £
Tangible fixed assets	14,517	442,363	456,880	473,826
Current assets	26,922	40,941	67,863	110,397
Creditors less than 1 year	(3,683)	–	(3,683)	(897)
Net assets	37,756	483,304	521,060	583,326