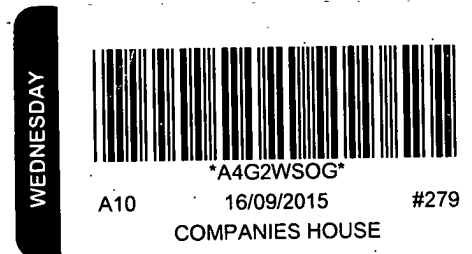


**COMPANY REGISTRATION NUMBER 06725535**  
**REGISTERED CHARITY NUMBER 1126951**

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**

**31ST DECEMBER 2014**



**BELL TINDLE WILLIAMSON LLP**

Chartered Accountants & Registered Auditors

The Old Post Office

63 Saville Street

North Shields

Tyne and Wear

NE30 1AY

**THE DERWENT INITIATIVE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**PERIOD ENDED 31ST DECEMBER 2014**

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**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31ST DECEMBER 2014**

The trustees are pleased to present their report together with the financial statements of the charity for the period ended 31st December 2014.

**Reference and Administrative Details**

<b>Charity Name:</b>	The Derwent Initiative
<b>Charity Registration Number:</b>	1126951
<b>Company Registration Number:</b>	06725535
<b>Registered Office and Operational Address:</b>	The Old Casino 1-4 Forth Lane Newcastle upon Tyne NE1 5HX
<b>Bankers :</b>	The Co-operative Bank Norfolk House 84-86 Grey Street Newcastle upon Tyne
<b>Independent Examiner:</b>	E.J. Hartshorne-Ferguson BA ACA Bell Tindle Williamson LLP The Old Post Office 63 Saville Street North Shields NE30 1AY
<b>Chief Executive:</b>	Ms D. M. Jenkins MBE

***Directors and Trustees:***

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report and the financial statements are collectively referred to as the trustees.

The trustees who served during the period were as follows:

<b><i>Elected Trustees:</i></b>	Ms L. V. W. Armstrong (Chair)	
	Ms C. A. Howells MBE	(Resigned 15.12.14)
	Prof D. Grubin	
	Ms S. M. Winfield OBE	
	Ms C. J. Sowerby	(Appointed 29.09.14)
	M. H. Brown FCA	(Appointed 29.09.14)

The company secretary was as follows:

<b><i>Company Secretary:</i></b>	Ms D. M. Jenkins MBE
----------------------------------	----------------------

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**Foreword from the Chief Executive**

The period described by these financial statements was one of radical change for The Derwent Initiative (TDI) business model. After many years of struggling to support relatively high fixed costs in an increasingly turbulent funding environment, the trustees took the decision to change to a delivery model based on associates working on day-rates, supported by only one member of staff to coordinate the activity.

It was inevitable that the costs of change should fall during this period, including redundancy payments and the upgrading of technology, and this was made all the more stark since the period did not include Leisurewatch income either from 2014 or 2015.

**Structure, Governance and Management**

***Governing Document***

The Derwent Initiative is a charitable company limited by guarantee, incorporated on 16 October 2008. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The present Directors, and any past Directors who served during the year, are given on Page 1, together with the names of the senior executive staff.

In the event of the company being wound up, trustees are required to contribute an amount not exceeding £10. At 31st December 2014 there were 5 trustees.

***Recruitment and Appointment of Trustees***

Trustees are recruited by recommendation to meet specific needs in the organisation for specialist expertise, business skills and professional standing within relevant fields.

***Trustee Selection***

During the period ended 31 December 2014 Ms C. J. Sowerby and M. H. Brown FCA were appointed as trustees and Ms C. A. Howells resigned as a trustee.

***Trustee Induction and Training***

New trustees and Advisory Group members are individually inducted by the Chief Executive and staff.

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

***Organisational Structure***

The board of directors meet every quarter along with executive staff to set strategic direction and review progress and priorities.

Executive staff have been granted a range of delegated authorities by the board of directors in order to run the organisation efficiently.

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31ST DECEMBER 2014**

***Risk Management***

The trustees have conducted a review of the major risks to which the charity is exposed. As part of the risk management process, the trustees have implemented a risk management strategy which comprises:

- An annual review of the risks that the charity may face.
- Detailed action plans to mitigate those risks identified.
- Implementation procedures designed to minimise any potential impact on the charity should any of these risks materialise.

***Related Parties***

In as far as it is complementary to the charity's objects, the charity is guided by local policy and partnerships. The related parties during the financial year are shown in the notes to the financial statements.

***Corporate Governance***

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive staff and board of directors.

Payroll functions continue to be undertaken by Ellison Services Limited.

**Our Aims and Objectives**

***Purposes and Aims***

TDI is an independent UK charity founded in 1993 which works to improve public protection by finding creative and practical multi-agency solutions to the problems of sexual offending.

The charity's principal activities are:

- throughout the United Kingdom and overseas to reduce the likelihood of sexual offending and to minimise its effects for the benefit of the public in general; and
- to advance education for the public benefit concerning the incidence effects and treatment of sexual offences and offenders and their victims.

We do this by designing and delivering research, consultancy, bespoke training packages and our national public protection scheme, Leisurewatch. We also aim to influence policy by bringing together those individuals with a specialist interest in the difficult issues raised by sexual offending.

***Ensuring Our Work Delivers Our Aims***

We review our aims, objectives and activities each year. This review looks at what we have achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits that they have brought to those groups of people we are set up to help.

The review also helps us to ensure that our aims, objectives and activities have remained focused on our stated purposes. We have referred to guidance contained in the Charity's Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31ST DECEMBER 2014**

*The Focus of Our Work*

*1) Reducing the risk of sexual offending in public spaces*

Working to reduce the risk of sexual offending in public spaces is our main area of activity. Leisurewatch is a membership scheme for organisations that have a responsibility for the public who are using their facilities.

Leisurewatch is an annual membership scheme which includes training for the frontline staff and managers, on-site signage and branding, a thorough assessment of the site to gauge risk, a reporting system linked directly to the Police, and mystery visits to test the resilience of the systems in place.

*2) Providing specialist training and knowledge to those who have a safeguarding responsibility*

We deliver specialist training for a range of organisations and sectors including faith-based organisations, the secure estate, housing associations and probation staff.

*3) Working with the public to raise awareness of the issues around sexual offending and help create protective communities*

We work with parents, carers and guardians to better understand sexual offending and help keep communities safe from risky sexual behaviour.

*4) Influencing policy*

We use our specialist expertise to help shape policy and practice in relation to sexual offending.

**How Our Activities Deliver Public Benefit**

*1) Reducing the risk of sexual offending in public spaces*

Thanks to the Leisurewatch scheme, public spaces are safer from those presenting risky sexual behaviour.

*2) Better understanding the risks presented by known offenders and reducing the risk to the public*

Research, consultancy and policy work helps to protect the public by increasing skills, knowledge and awareness around sexual offending at all levels.

*3) Equipping specialist staff with the right tools to manage sex offender risk*

Most sex offenders are managed in the community. Practitioners are given the skills and know-how to make sure those offenders do not pose a risk to the public.

**Achievements and Performance**

Although the summer months were largely devoted to administering the necessary changes, proportionately more activity was delivered during the period than in previous years, and the new model is proving highly successful in generating greater uptake of our work for much lower fixed costs. The associate model is working well, giving us greater flexibility to use different people for different pieces of work, and allowing us to tailor our activities to specific needs.

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**Achievements and Performance (continued)**

During the period we trained around 1,200 people and delivered more than 70 workshops as well as carrying out 14 site audits. The results are summarised below:

<i>Activity</i>	<i>April - December 2014</i>
Site audits	14
Leisurewatch workshops	67
Leisurewatch referrals	40
Non Leisurewatch sessions	2 days
Numbers trained (approximate)	1,200

We had 40 referrals from April to December 2014. Examples include:

- identifying a vulnerable child repeatedly meeting an older man outside a shopping centre.
- children in changing rooms being filmed with phone cameras.
- men viewing indecent images on library computers.
- 13-year-old girls being propositioned for sex inside leisure centres.
- library users contacting young girls on computers.

Referrals have led to arrest in a number of cases, although we are not necessarily informed by police of follow-up action.

Whilst much of our energy during the period went into building the new sustainability for TDI, we have picked up on two projects initially and have another in the pipe-line. We have worked up an idea in response to an approach from CIMSPA Northern Ireland, which asked us to think about a guide for children coming to leisure centres for the first time. We have suggested an on-line learning module based on games and quizzes, backed up with print posters and campaign materials, using a cartoonist we have worked with in the past.

This would be a partnership between TDI and CIMSPA, and though we do not expect to do much more than cover our costs, it would give us good profile. The campaign is likely to be picked up by CIMSPA throughout the UK if it is successful in Northern Ireland.

***Our People***

Although we made two of our previous three staff redundant last year, we have delivered significantly greater activity using our associates. Mike Way has taken on the role of lead trainer, both for Leisurewatch and for specialist training, where he has considerable experience, and will be leading on the churches work we plan.

Sue Kennedy, formerly Head of Leisurewatch, continues to be available to deliver training. Brian Herron continued to deliver our Northern Ireland Leisurewatch training for us under an arrangement with his employer, the Police Service of Northern Ireland and Jan Van Wagendonk, a very senior retired social worker, has joined our Forum and offered us one day a week as a volunteer. He will be working with us to progress the work on student sexual violence.

The trustees were joined by Mike Brown, who is a chartered accountant and has brought his accountancy skills to bear on validating our financial systems and acting as unofficial internal auditor, and Catherine Sowerby, a senior NHS manager. Carole Howells, who was on the board of TDI for 20 years, and chair for 10, had to step down because of ill health, and her place has been taken by Lucy Armstrong. The trustees met four times during the period between April and December.

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**Financial Review**

As explained previously, the period ended 31st December has seen many changes in the TDI business model and operations. This period of change has also impacted the financial position of the charity.

The trustees report a deficit of the period of £17,808, after exceptional costs of £21,736 (as detailed in note 5 to the financial statements). The period has seen both a reduction in income and expenditure as the charity adapts to its new working methodologies.

A review of the forthcoming year indicates that future funding will guarantee the financial viability of the charity and forecasts indicate that the charity will report a surplus next year.

Despite the challenging economic climate, we are fortunate to have a range of charitable trusts supporting our core activities and specific projects.

We are immensely grateful to the following foundations and trusts:

The Esmée Fairbairn Charitable Trust.  
The Tudor Trust.  
The W. A. Handley Trust.  
The Vardy Charitable Foundation.  
The National Council for Social Concern.

***Investment Policy***

Under the Memorandum and Articles of Association, the charity has the power to invest how the trustees wish.

***Reserves Policy***

TDI's reserves policy is to aim for sufficient levels of reserves to enable operating activities to be maintained, taking account of potential risks and contingencies that may arise from time to time. The policy is reviewed annually by the trustees.

The trustees acknowledge that at 31st December 2014, the charity had negative unrestricted reserves of £5,720 as unrestricted expenditure exceeded unrestricted income in the period. The trustees are confident that the steps put in place which are described throughout this report will ensure that the charity has positive reserves once again by 31st December 2015.

**Future Periods**

As we present these financial statements, we are well into the 2015 financial year, and can report that the new model is proving very successful. We are generating more activity and bringing in more income than anticipated, and are certain to end the year with a modest carryover.

In looking back on the period to which these financial statements refer, we can be satisfied that the right decisions were made and that the direction of travel is bringing both the probability of sustainability and the flexibility to respond to need that we had wished for.



**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**Trustees' Responsibilities in Relation to the Financial Statements**

The trustees are responsible for preparing the Trustees Annual 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 which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including the surplus or deficit for the financial year.

In preparing those 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 sound judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees have overall responsibility for ensuring that the charitable company has appropriate systems and controls, financial and otherwise. The trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and for their proper application as required by charity law, and hence for taking reasonable steps to prevent and detect fraud and other irregularities and to provide reasonable assurance that:

- The Derwent Initiative is operating efficiently and effectively;
- All assets are safeguarded against unauthorised use or disposition and are properly applied;
- Proper records are maintained, and financial information used within The Derwent Initiative is reliable; and
- The Derwent Initiative complies with relevant laws and regulations.

***Trustees***

The trustees who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware there is no relevant information of which the company's independent examiner is unaware; and
- As directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's independent examiner is aware of that information.

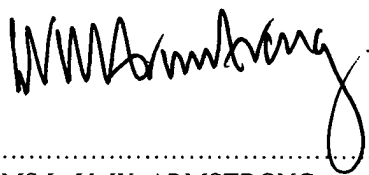
**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**Independent Examiner**

E. J. Hartshorne-Ferguson BA ACA of Bell Tindle Williamson LLP will continue in office as independent examiner for the ensuing year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

This report was approved by the trustees on 7th September 2015 and signed on their behalf by:



.....  
MS L. V. W. ARMSTRONG  
Chair of Board of Directors and Trustees

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE**  
**DERWENT INITIATIVE FOR THE PERIOD ENDED 31ST DECEMBER 2014**

I report on the financial statements of the charity for the period ended 31 December 2014, which are set out on pages 10 to 19.

**Respective Responsibilities of Trustees and Examiner**

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this period under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

**Basis of Independent Examiner's Report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**Independent Examiner's Statement**

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that, in any material respect, the requirements:
  - a) to keep accounting records in accordance with s386 of the Companies Act 2006; and
  - b) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006 and the Charities Act have not been met, or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Bell Tindle Williamson LLP  
 Chartered Accountants &  
 Registered Auditors  
 The Old Post Office, 63 Saville Street,  
 North Shields, Tyne & Wear  
 NE30 1AY

E. J. Hartshorne-Ferguson BA ACA  
 Independent Examiner

7th September 2015

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2014**

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>(9 months)</u> <u>31.12.14</u> <u>£</u>	<u>(12 months)</u> <u>31.03.14</u> <u>£</u>
<b>INCOMING RESOURCES</b>					
<i>Incoming Resources from</i>					
<i>Generated Funds:</i>					
Voluntary Income:					
Donations		-	-	-	330
Grant Income	2	47,000	-	47,000	123,100
<i>Incoming Resources from</i>					
<i>Charitable Activities:</i>					
Leisure Watch Membership		5,033	-	5,033	71,202
Training		-	-	-	8,536
Research and Policy		-	-	-	6,500
<b>TOTAL INCOMING RESOURCES</b>		<u>52,033</u>	<u>-</u>	<u>52,033</u>	<u>209,668</u>
<b>RESOURCES EXPENDED</b>					
<i>Charitable Activities:</i>					
Charitable Expenditure	3	43,505	3,400	46,905	182,711
Governance Costs	4	1,200	-	1,200	1,746
<b>TOTAL RESOURCES EXPENDED</b>		<u>44,705</u>	<u>3,400</u>	<u>48,105</u>	<u>184,457</u>
Net Incoming/(Outgoing) Resources for the Period before Exceptional Items		7,328	(3,400)	3,928	25,211
Exceptional Items	5	<u>21,736</u>	<u>-</u>	<u>21,736</u>	<u>1,242</u>
Net Incoming/(Outgoing) Resources for the Period after Exceptional Items		(14,408)	(3,400)	(17,808)	23,969
Total Funds Brought Forward		8,688	3,400	12,088	(11,881)
Total Funds Carried Forward		<u>(5,720)</u>	<u>-</u>	<u>(5,720)</u>	<u>12,088</u>

The Statement of Financial Activities includes all gain and losses in the period and therefore a statement of total recognised gains and losses has not been prepared.

All incoming resources and resources expended derive from continuing activities

*The notes on pages 12 to 19 form part of these financial statements.*

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET AS AT 31ST DECEMBER 2014**

	<u>Note</u>	<u>31.12.14</u>	<u>31.03.14</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	227	340
<b>CURRENT ASSETS</b>			
Debtors	9	37,645	14,896
Cash at Bank and in Hand		<u>15,295</u>	<u>20,311</u>
		52,940	35,207
<b>CREDITORS - DUE WITHIN ONE YEAR</b>	10	<u>(58,887)</u>	<u>(23,459)</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>(5,947)</u>	<u>11,748</u>
<b>NET ASSETS / (LIABILITIES)</b>		<u><u>(5,720)</u></u>	<u><u>12,088</u></u>
<b>FUNDS</b>			
Unrestricted Funds	12	(5,720)	8,688
Restricted Funds	12	-	3,400
		<u><u>(5,720)</u></u>	<u><u>12,088</u></u>

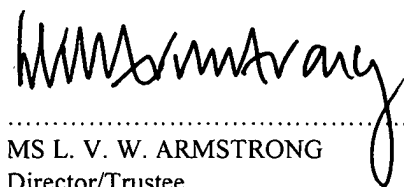
For the period ended 31st December 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476; and
- 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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the board of directors and authorised for issue on 7th September 2015, and are signed on their behalf by:



MS L. V. W. ARMSTRONG  
Director/Trustee

Registration Number: 06725535

*The notes on pages 12 to 19 form part of these financial statements.*

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below. The accounting policies have been applied consistently throughout the period and in the preceding year.

**a) Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, Financial Reporting Standard for Smaller Entities 2008 and the Statement of Recommended Practice: "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005); and with the Charities Act.

The financial viability of the charity is dependent upon the ability to secure the forecasted levels of voluntary income and income generated contracts for services. The trustees have assessed the financial position of the charity for the period ended 31 December 2014 based on known levels of funding and reasonable assumptions of future funding, and are forecasting that the charity will be in surplus at 31 December 2015.

The trustees consider therefore that it is appropriate to prepare the financial statements on the going concern basis following due consideration of the present financial position, the expected prospects of the charity during the twelve months from the date of approval of these financial statements and the continued support of its bankers and stakeholders during this time.

**b) Cash Flow Statement**

The trustees have taken advantage of the exemption of Financial Reporting Standard Number 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

**c) Tangible Fixed Assets**

Tangible fixed assets costing £200 or more are capitalised and include, at cost, any incidental expenses of acquisition.

**d) Depreciation**

Depreciation is calculated to write off the cost of fixed assets over the expected useful lives of the assets concerned.

The principal annual rates for this purpose, which are consistent with those of the previous year, are:-

Equipment	33% Straight line
-----------	-------------------

**e) Tangible Fixed Assets and Restricted Funds**

When the charity receives restricted grants that can only be used for expenditure on fixed assets, it has the following policy:-

- Expenditure on the fixed asset is capitalised. The fixed asset is then depreciated over its useful economic life in accordance with the charity's accounting policy.
- Grants received specifically to finance the expenditure are credited to a restricted fund.

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**1. ACCOUNTING POLICIES *(continued)***

**f) Incoming Resources**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants and donations and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these financial statements.
- Incoming resources from charitable activities are accounted for when receivable.
- Training, directory sales and other income are accounted for in the period in which the service is provided.

**g) Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. The following specific policies are applied to particular categories of expenditure:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to specific departments and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner fee and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

**h) Pension Costs**

The charity operates defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the SoFA.

**i) Operating Lease Agreements**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SoFA as incurred.

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**1. ACCOUNTING POLICIES *(continued)***

**j) Fund Accounting**

Unrestricted Funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds that have been set aside for individual projects.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by their donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

**k) Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**l) Financial Instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**2. GRANT INCOME**

			<i>(9 months)</i>	<i>(12 months)</i>
	<b><u>Unrestricted</u></b>	<b><u>Restricted</u></b>	<b><u>31.12.14</u></b>	<b><u>31.03.14</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>TOTAL</u></b>	<b><u>TOTAL</u></b>
			<b><u>£</u></b>	<b><u>£</u></b>
The Tudor Trust	10,000	-	10,000	15,000
The Vardy Foundation	5,000	-	5,000	-
The W. A. Handley Trust	3,000	-	3,000	-
National Council for Social Concern	4,000	-	4,000	-
Esmee Fairbairn Foundation	25,000	-	25,000	25,000
Office of the Police and Crime Commissioner for Northumbria	-	-	-	1,750
Community Foundation	-	-	-	2,000
Home Office Sexual Violence Unit	-	-	-	1,850
Northern Rock Foundation	-	-	-	77,500
	<b>47,000</b>	<b>-</b>	<b>47,000</b>	<b>123,100</b>



**THE DERWENT INITIATIVE**  
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**FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**3. CHARITABLE EXPENDITURE**

			<i>(9 months)</i>	<i>(12 months)</i>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>31.12.14</u>	<u>31.03.14</u>
	<u>£</u>	<u>£</u>	<u>TOTAL</u>	<u>TOTAL</u>
			<u>£</u>	<u>£</u>
Wages and Salaries	11,880	-	11,880	108,954
Employer Pension Contributions	-	-	-	9,370
Travelling, Accommodation & Subsistence	2,011	-	2,011	4,616
Rent, Rates and Water	11,496	-	11,496	15,266
Insurance	1,218	-	1,218	1,413
Consultancy - Kindling Limited (see note 16)	4,430	25	4,455	13,530
Training and Consultancy	6,713	-	6,713	5,376
IT Costs and Support	574	-	574	779
Payroll Processing Costs	168	-	168	541
Equipment Leasing and Licences	-	-	-	735
Printing, Postage and Stationery	2,012	-	2,012	7,955
Room Hire, Refreshments and Catering	559	-	559	390
Leisurewatch Videos	-	3,375	3,375	3,600
Website Design and Creation	-	-	-	6,456
Telephone	1,125	-	1,125	1,311
Office Cleaning	956	-	956	1,610
Membership and Subscriptions	-	-	-	185
Other Office Costs	13	-	13	13
Bank Charges and Interest	-	-	-	50
Repairs and Maintenance	237	-	237	445
Depreciation	113	-	113	116
	<u>43,505</u>	<u>3,400</u>	<u>46,905</u>	<u>182,711</u>

**4. GOVERNANCE COSTS**

			<i>(9 months)</i>	<i>(12 months)</i>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>31.12.14</u>	<u>31.03.14</u>
	<u>£</u>	<u>£</u>	<u>TOTAL</u>	<u>TOTAL</u>
			<u>£</u>	<u>£</u>
Independent Examiners Fee	1,200	-	1,200	1,746

**THE DERWENT INITIATIVE**  
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**5. EXCEPTIONAL ITEMS**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>(9 months)</u> <u>31.12.14</u> <u>TOTAL</u>	<u>(12 months)</u> <u>31.03.14</u> <u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Redundancy costs	13,000	-	13,000	-
Consultancy - Kindling Limited (see note 16)	6,930	-	6,930	-
Training and Consultancy	1,327	-	1,327	-
IT Costs and Support	378	-	378	1,242
Travelling, Accommodation & Subsistence	101	-	101	-
	<u>21,736</u>	<u>-</u>	<u>21,736</u>	<u>1,242</u>

In order to preserve The Derwent Initiative and the services it provides, the trustees were forced to undertake a fundamental reorganisation and restructure of the charitable company.

The costs associated with the reorganisation are detailed in this note.

**6. AGGREGATE PAYROLL COSTS**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>(9 months)</u> <u>31.12.14</u> <u>TOTAL</u>	<u>(12 months)</u> <u>31.03.14</u> <u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Wages and Salaries	11,880	-	11,880	98,539
Social Security Costs	-	-	-	10,415
Pension Costs	-	-	-	9,370
	<u>11,880</u>	<u>-</u>	<u>11,880</u>	<u>118,324</u>

No employee received emoluments of excess of £60,000 during the period (31.03.14 - £NIL)

No remuneration, directly or indirectly out of the funds of the charity, was paid or payable for the period to any trustees, nor were any expenses reimbursed to them.

Particulars of employees:

The average number of staff employed by the Charity during the financial period amounted to:

<u>(9 months)</u> <u>31.12.14</u> <u>TOTAL</u>	<u>(12 months)</u> <u>31.03.14</u> <u>TOTAL</u>
<u>1</u>	<u>3</u>

**THE DERWENT INITIATIVE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**7. NET INCOMING/(OUTGOING) RESOURCES FOR THE PERIOD**

	<i>(9 months)</i> <b><u>31.12.14</u></b> <b><u>£</u></b>	<i>(12 months)</i> <b><u>31.03.14</u></b> <b><u>£</u></b>
<i>Net outgoing resources are stated after charging:</i>		
Employer Pension Contributions	-	9,370
Depreciation	113	116
Independent Examiners Fee	1,200	1,746
	<u>1,200</u>	<u>1,746</u>

**8. TANGIBLE FIXED ASSETS**

	<b><u>Equipment</u></b> <b><u>£</u></b>
<b>COST</b>	
As at 1 April 2014 & 31 December 2014	<u>3,898</u>
<b>DEPRECIATION</b>	
As at 1 April 2014	3,558
Charge for period	113
As at 31 December 2014	<u>3,671</u>
<b>NET BOOK VALUE</b>	
As at 31 December 2014	<u>227</u>
As at 31 March 2014	<u>340</u>

**9. DEBTORS**

	<b><u>31.12.14</u></b> <b><u>£</u></b>	<b><u>31.03.14</u></b> <b><u>£</u></b>
Trade Debtors	36,815	11,324
Prepayments	321	694
Other Debtors	509	2,878
	<u>37,645</u>	<u>14,896</u>

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**10. CREDITORS**

	<u>31.12.14</u>	<u>31.3.14</u>
	<u>£</u>	<u>£</u>
<b>Amounts due within one year:-</b>		
Trade Creditors	3,669	3,987
Taxation and Social Security	238	2,879
Futurebuilders Loan	-	8,833
Accruals and Deferred Income	54,980	7,760
	<u>58,887</u>	<u>23,459</u>

**11. ANALYSIS OF NET LIABILITIES**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>
	<u>Funds</u>	<u>Funds</u>	<u>£</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Tangible Fixed Assets	227	-	227
Current Assets	52,940	-	52,940
Current Liabilities	(58,887)	-	(58,887)
Net Liabilities at 31st December 2014	<u>(5,720)</u>	<u>-</u>	<u>(5,720)</u>

**12. STATEMENT OF FUNDS**

	<u>At 1st</u>	<u>Incoming</u>	<u>Resources</u>	<u>At 31st</u>
	<u>April 2014</u>	<u>Resources</u>	<u>Expended</u>	<u>Dec 2014</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Unrestricted Funds</b>				
General	8,688	52,033	(66,441)	(5,720)
<b>Restricted Funds</b>				
Northern Rock Foundation	3,400	-	(3,400)	-
	<u>3,400</u>	<u>-</u>	<u>(3,400)</u>	<u>-</u>
	<u>12,088</u>	<u>52,033</u>	<u>(69,841)</u>	<u>(5,720)</u>

**Unrestricted Funds - General**

These funds can be used in anyway by the trustees in accordance with the objectives of the charity.

**Restricted Funds**

These represent funds received which are restricted for a specific purpose. Amounts are released from these funds when the expenditure to which they relate is incurred by the charity.

The restricted funds are summarised as follows:

*Northern Rock Foundation*

Funding towards achieving sustainability by investing in experience, marketing and improving the relevance and value of products to clients.

**THE DERWENT INITIATIVE**  
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**FOR THE PERIOD ENDED 31ST DECEMBER 2014**

**13. INDEPENDENT EXAMINER'S FEE**

The independent examination work conducted entailed a fee of £1,200.

**14. TAXATION**

As a charity, TDI is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

**15. RELATED PARTY TRANSACTIONS**

Ms D. M. Jenkins, the Chief Executive and Company Secretary of the charity, is also a director of the company Kindling Limited. During the period Kindling Limited invoiced TDI £11,385 for consultancy fees (31.03.14 - £13,530). £2,640 remained unpaid at the period end and is included in creditors (31.03.14 - £NIL).

No other transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (effective April 2008).

**16. LEGAL STATUS**

The Derwent Initiative is a company limited by guarantee and as such has no share capital. In the event of the charitable company being wound up, the trustees would be required to contribute an amount not exceeding £10.

**17. ULTIMATE CONTROLLING PARTY**

In the opinion of the trustees, there is no ultimate controlling party of the charity other than the Board itself.

**THE DERWENT INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DETAILED ANALYSIS OF INCOME AND EXPENDITURE**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2014**

	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>31.12.14</u> <u>£</u>	<u>31.03.14</u> <u>£</u>
<b>INCOMING RESOURCES</b>				
Donations	-	-	-	330
<i>Voluntary income:</i>				
The Tudor Trust	10,000	-	10,000	15,000
The Vardy Foundation	5,000	-	5,000	-
The W. A. Handley Trust	3,000	-	3,000	-
NCSC	4,000	-	4,000	-
Esmee Fairbairn Foundation	25,000	-	25,000	25,000
Office of the Police and Crime Commissioner for Northumbria	-	-	-	1,750
Community Foundation	-	-	-	2,000
Home Office Sexual Violence Unit	-	-	-	1,850
Northern Rock Foundation	-	-	-	77,500
<i>Charitable activities income:</i>				
Leisure Watch Membership	5,033	-	5,033	71,202
Training	-	-	-	8,536
Research and Policy	-	-	-	6,500
<b>TOTAL INCOMING RESOURCES</b>	<u>52,033</u>	<u>-</u>	<u>52,033</u>	<u>209,668</u>
<b>RESOURCES EXPENDED</b>				
Wages and Salaries	11,880	-	11,880	108,954
Employer Pension Contributions	-	-	-	9,370
Travelling, Accommodation & Subsistence	2,011	-	2,011	4,616
Rent, Rates and Water	11,496	-	11,496	15,266
Insurance	1,218	-	1,218	1,413
Consultancy - Kindling Limited	4,430	25	4,455	13,530
Training and Consultancy	6,713	-	6,713	5,376
IT Costs and Support	574	-	574	779
Payroll Processing Costs	168	-	168	541
Equipment Leasing and Licences	-	-	-	735
Printing, Postage and Stationery	2,012	-	2,012	7,955
Room Hire, Refreshments and Catering	559	-	559	390
Leisurewatch Videos	-	3,375	3,375	3,600
Website Design and Creation	-	-	-	6,456
Telephone	1,125	-	1,125	1,311
Office Cleaning	956	-	956	1,610
Membership and Subscriptions	-	-	-	185
Other Office Costs	13	-	13	13
Bank Charges and Interest	-	-	-	50
Repairs and Maintenance	237	-	237	445
Depreciation	113	-	113	116
Independent Examiner Fees	1,200	-	1,200	1,746
	<u>44,705</u>	<u>3,400</u>	<u>48,105</u>	<u>184,457</u>
Exceptional Items	<u>21,736</u>	<u>-</u>	<u>21,736</u>	<u>1,242</u>
<b>NET RESOURCES</b>	<u>(14,408)</u>	<u>(3,400)</u>	<u>(17,808)</u>	<u>23,969</u>