

THE DERWENT INITIATIVE
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2019

Charity Number 1126951
Company Number 06725535



THE DERWENT INITIATIVE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019

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The Derwent Initiative (trading as TDI)

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TRUSTEE ANNUAL REPORT

For the year ended 31st December 2019

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended 31st December 2019 which are also prepared to meet the requirements for a trustees' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)

1. Objectives and Activities

Aims of the Charity

TDI (The Derwent Initiative) is an independent UK charity, founded in 1993, which works to improve public protection by finding creative and practical approaches to reduce the risk of sexual offending. We create and deliver training, projects, consultancy and research, working with lay people and professional throughout the UK. Our specific charitable objectives are:

- Throughout the United Kingdom and overseas to reduce the likelihood of sexual offending and to minimize its effects for the benefit of the public in general;
- To advance education for the public benefit concerning the incidence, effects and treatment of sexual offences and offenders and their victims, and the services available in this respect; in particular but not exclusively of people involved, whether professionally or otherwise, with the care and treatment of sexual offenders, their victims, or parents and families of those victims.

In the more than 25 years that we have been doing this work, the nature of the problems has changed, but public awareness and concern have grown enormously. Online grooming, modern slavery, gang exploitation of children in many UK cities, and current waves of accusations of sexual abuse and harassment all create a frightening minefield for individuals and organisations as they try to keep their families and work places safe.

We believe that the problems of sexual offending are best addressed by enhancing understanding and giving ordinary people the skills and knowledge they need to manage risk. Nearly all sex offenders, whether convicted or not, live in communities and have to interact with the same institutions and organisations as everybody else. When people working in those institutions and organisations know how to look for and manage risk, the opportunity for offences to be committed will be reduced.

Objectives, strategies and activities for the year

During 2019 we trained just over 600 people working at our Leisurewatch sites, ranging from swimming pools and leisure centres to bus stations and shopping malls. Every participant was given the opportunity to feed back to us anonymously about the quality of the training and we are proud to say that responses were almost unanimously positive. Use of our referral system, which acts to link sites up with local Police for support and advice around concerning behaviour, held up, arresting the decline which we saw in 2018.

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We have continued to expand our training offering through the design of new material. Our training packages are bespoke and adaptable, allowing us to tailor sessions to the needs of clients. Once created, new material can then be offered to others with similar needs, becoming part of our standard offering. The major development this year was the adaptation of our training for the needs of arts and other participatory organisations. In 2019 we also experimented in providing training in different ways, through hosting small groups at our central Newcastle offices and through discounted training for small and charitable organisations.

We delivered specialist training for Combat Stress, Pathways Care, Junction 42 and Circus Central. The first two of these were delivered in association with Edify Consulting, a training organisation who have established a relationship with us to provide sessions to their clients on topics around sexual harm prevention.

We continued to expand our social media presence, and intend to continue to build this in 2020.

Financially, we were not able to repeat the performance of 2018 and show a small deficit on the year to add to that carried over from 2017. This was largely due to the difficult financial climate our clients found themselves in, leading to a decline in Specialist Training income. We remain confident that the work done in both creating new training content and expanded promotion through social media places as well to increase our delivery in 2020.

As in 2018, the carried-over deficit meant the need to take out small loans to relieve our cash position towards the end of the year.

Our team remains small, consisting of Beverley Gray and Dr Matt Jenkins working a combined 1.6 full time equivalents, and our associates, David Gardiner and Brian Herron, delivering training for us on a very modest day rate.

We are enormously grateful to the Handley Trust and the Hadrian Trust, which have made it possible for us to survive in what continues to be a challenging environment.

Public Benefit Statement

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim 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.

Policy on Grant Making

TDI is not a grant making charity.

Policy on Social Investment

In 2019 TDI did not have sufficient income to invest; our policy on investment and the social value of particular investments will be reviewed as such a time as is appropriate.

Contribution by Volunteers

Our Chief Executive, Deborah Jenkins, volunteered one day per week in 2019.

2. Achievements and Performance

Evaluation and outputs

We continue to believe that what we do is useful and that it is worth pursuing our mission to help more people manage risk in relation to sexual offending. We are determined to keep working, and are sure that 2020 will bring more interesting challenges.

At the time of writing this narrative, figures from the 2019 Leisurewatch programme are not available – the coronavirus crisis and resultant home-working means that the system they are recorded on is unavailable. However, when we reviewed the year at the annual Trustee review meeting: membership had held up, and the number of sites increased due to members bringing new sites into the programme; coverage remains national with members in all countries of the UK; membership remains cross-sectoral, with member sites including leisure centres, beaches, parks, shopping centres and elite sports-training facilities; satisfaction with the programme on the part of members remained high with both staff and managers finding value in the training and support; use of the referral programme stayed consistent at its 2018 levels.

While the number of bespoke training courses delivered declined, satisfaction with the training remains high. Of our four courses delivered, one represented a repeat client as Edify Consulting acted as a repeat broker in obtaining new training. The course delivered to Circus Central was a pilot and, based on extremely positive feedback, has now been added to our range of courses.

Fundraising

As in previous years, the majority of TDI's funding came from the payment of fees for services rendered – largely through membership of the Leisurewatch scheme but also through the provision of bespoke training to other organisations. A small amount of funding came from unrestricted grants; this year from the WA Handley Trust and the Hadrian Trust. The Victorian Registration and Qualification Authority (Australia) continued to license some of our training material, which also contributed to funds. There was no fundraising through donations.

Investments

TDI made no investments – either internally in equipment or externally in investment vehicles – during 2019. There are no outstanding external investments from previous years; previous investments in equipment depreciated in the usual way.

3. Financial review

Review of the year

The results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

During the year the Charity had income of £72,991 (2018: £82,350) and expenditure of £76,395 (2018: £81,952). There was an operating deficit of £3,731 (2018: surplus of £398).

At 31 December 2019 the Charity had net liabilities of £17,946 (2018: £14,215).

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For the year ended 31st December 2019

Reserves policy/Going concern

While observing the overall deficit, which the charity remains in, the Trustees continue to consider TDI a going concern. The plan of work and budget for 2020 aims to eliminate the standing deficit, which would negate the need for a loan as in previous years. However, as in 2018, in 2019 it was possible to draw on short-term loans to bridge the gap in cashflow created by the deficit – there is no reason to believe that such a loan facility would not be available again in 2020.

Risk Management

The Board is responsible for the management of the risks to which the Charity is exposed. A risk register is produced which considers financial, governance and delivery risks.

For each risk the register identifies:

- Initial risk assessment in terms of impact and likelihood
- Initial risk rating
- Counter measures
- Responsibility / ownership
- Timescale
- Amended risk assessment in terms of impact and likelihood
- Amended risk rating

The Board reviews the risk register throughout the year. Through the counter measures put in place in the risk register and the regular reviews and updates, the Board is satisfied that the major risks identified have been adequately mitigated. It is recognised that this approach can only provide reasonable but not absolute assurance that major risks have been adequately managed.

4. Plans for future periods

This report is being written in July 2020, after five months of the extraordinary circumstances generated by the COVID19 pandemic. Like most small charities, we felt it sensible to delay the publication of our annual report and accounts for 2019 until we had some feel for the consequences and potential impact on our organisation.

At first, it seemed that the crisis might bring on the end of TDI. After more than a quarter of century of delivering our work, often under considerable financial pressure, the overnight closure of public places and the ban on face-to-face encounters effectively made our work impossible. We also thought that with the enormous problems facing all our members and clients, commissioning our work would be low down their list of priorities. With the trustees, we immediately modelled possible scenarios, including relinquishing the office and potentially closing within months.

We had finished 2019 on a sober note. Although we had continued to deliver both Leisurewatch and our tailored training to very good feedback, we had not managed to reduce the historic financial deficit, and if anything had slightly increased it. Pressures on shopping centres in particular and on the public sector in general had continued to raise the bar as to whether organisations could afford our services, despite the ever present concerns over risk and safeguarding.

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As ever, potential funders on the whole felt that we should be self-supporting, and many potential clients, on the other hand, felt that we should be delivering our services for free or for a token charge.

The government's COVID-19 financial support measures have provided a life-line for us, as for so many others. The £10,000 grant administered through Newcastle City Council has meant that we could keep the office for the time being, and our landlords, Project North East (PNE) have been supportive in providing help and business advice as we have begun to adapt our work to new demands. Matt and Beverley have been furloughed, contributing only during the 20% of their time which we have continued to fund from the point at which this was permitted, and lead trainer Dave Gardiner and I have taken responsibility for keeping TDI afloat and maintaining a profile with members and clients. All of us have worked from home since March, and will do so for the foreseeable future.

As is the case with so many other organisations, this crisis has stimulated us to initiate and develop new ways of delivering our work. As a first response to the lockdown, we quickly developed a set of four online training modules aimed at keeping volunteers safe, put them online as a free resource, and circulated them to all our Leisurewatch members. That proved useful experience as we are now adapting all our tailored training modules and courses for remote delivery. Dave is delivering our first online commission in August to an organisation working with people with special needs, and we will learn from that. We are working to enhance and adapt our offer to our Leisurewatch members, and are keeping in touch with them as they go through organisational upheaval. Many of our contacts have been furloughed, moved to other roles, or sadly lost their jobs altogether, so it has not been straightforward, but wherever possible we have maintained and in some cases strengthened our relationships.

We are doing our best to professionalise and increase our social media and online profile, taking advantage of support from business mentors and friends, and signing up for training wherever we can. Like everybody else we are on a crash course of digital skills. Melissa Middleton at PNE has been a great advisor and coach, Marius Guraliuc of NCFE kindly gave us a training session on mastering Teams, and a number of friends are helping us with technical and specialist advice and practical support. Through Furlonteer, a new organisation set up in response to the crisis, we met Catarina Araújo, a graphic designer based in London and Portugal. Cat has redesigned our Leisurewatch materials for online presentation as a volunteer, and we are hoping to be able to commission her to become our design guru more generally.

All of this work puts us into a stronger position for survival, and it seems likely that we will finish 2020 having balanced the books and paid off the deficit. However, with the future so uncertain, we are still facing significant risks. Shopping centres are facing closure around the UK, and several of our retail centre Leisurewatch members have already withdrawn from the scheme. Many leisure centres are threatened by the constraints on their activities posed by social distancing.

Our task now is to demonstrate the value of our work to a wider audience than we have hitherto been able to reach.

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Our intent is to continue to offer face-to-face training whilst complying with guidance, at the same time as we develop, promote and deliver training and consultancy online. Only time will tell whether we can accomplish this ambition in these extraordinary times. The problems we were set to up address have certainly not gone away, though they may be changing in nature. We are still determined to pursue our charitable objective to reduce the risks of sexual offending, and are immensely grateful to all those who are helping us in our mission.

5. Reference and administrative details of the charity, its trustees and advisors

Registered charity name	The Derwent Initiative
Charity number	1126951
Company registration number	6725535
Registered office	The Old Casino 1-4 Forth Lane Newcastle upon Tyne NE1 5HX
Trustees and Members of the Board	Ms LVM Armstrong (Chair) Mrs SM Winfield OBE Ms CJ Parnell Mr MH Brown (FCA)
Chief Executive and Senior staff members	Ms DM Jenkins MBE Ms B Gray Mr MF Jenkins
Independent Examiner	Doug Maltman FMAAT Connected Voice Charity Business Services Higham House Higham Place Newcastle upon Tyne NE1 8AF
Bankers	The Co-Operative Bank Norfolk House 84-86 Grey Street Newcastle upon Tyne NE1 6BZ

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Solicitors

Muckle LLP
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Funds held as custodian trustees on behalf of others
None

Exemption from disclosures
None

6. Structure, governance and management

Governing Document

The organisation is a Charitable Company Limited by Guarantee. 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. In the event of a winding up any member (who is a director) undertakes to contribute to the payment of liabilities, such amount as may be required not exceeding the total of £1.

Recruitment and Appointment of the Board

The Directors of the Company are also Trustees for the purposes of charity law and under the company's Articles are also its members.

Trustees are selected on the basis of specialist skills and commitment to the objectives and aims of the organisation.

Board Induction and Training

New Board Members are introduced to the work of the organisation and informed of their legal roles and responsibilities at an induction meeting. The induction and training programme for new Board Members includes:

- A briefing by the Chair or Chief Executive
- An explanation of roles and responsibilities as a Board Member
- Copies of the main company documents including the Memorandum and Articles of Association and the Financial Statements
- Copy of the business plan and most recent evaluation report
- Copies of recent board papers including budgets and management accounts
- A copy of the Charity Commission publication "How to be an Effective Trustee"
- A copy of the governance structure.

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7. Statement of Trustee Responsibilities

The trustees, who are also directors for the purposes of company law, 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).

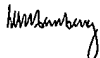
Company Law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing those financial statements, the trustees are required to:

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

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

Approved by the Board on 26 August 20 and signed on their behalf by:

Ms LVM Armstrong (Chair)



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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 December 2019

I report on the financial statements of The Derwent Initiative for the year ended 31 December 2019, which are set out on pages 10 to 19.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year 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 company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts 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 statement

My examination was carried out in accordance with 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the 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 accounts 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 material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I 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.

Doug Maltman FMAAT
Connected Voice Charity Business Services
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date 26 August 20

D Maltman

THE DERWENT INITIATIVE

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STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 December 2019

	Notes	Unrestricted Funds £	Designated Funds £	Total 2019 £	Total 2018 £
Income from:					
Charitable activities					
Grants and contracts	6	72,934	-	72,934	82,122
Other trading activities	7	57	-	57	228
Total income		72,991	-	72,991	82,350
Expenditure on:					
Charitable activities					
Operation of the charity	8	76,395	327	76,722	81,952
Total expenditure		76,395	327	76,722	81,952
Net income/(expenditure) before investment gains/(losses)		(3,404)	(327)	(3,731)	398
Reconciliation of funds					
Total funds brought forward		(14,542)	327	(14,215)	(14,613)
Total funds carried forward		(17,946)	-	(17,946)	(14,215)

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 12 to 19 form an integral part of these accounts.

BALANCE SHEET

As at 31 December 2019

	Notes	£	Total 2019 £	£	Total 2018 £
Fixed assets					
Tangible assets	15		-		392
Total fixed assets			-		392
Current assets					
Debtors	16	51,342		47,616	
Cash at bank and in hand	17	3,288		7,427	
Total current assets		54,630		55,043	
Creditors: amounts falling due within one year	18	(57,576)		(61,150)	
Net current assets			(2,946)		(6,107)
Total assets less current liabilities			(2,946)		(5,715)
Creditors: amounts falling due after more than one year	19	(15,000)		(8,500)	
Total net assets or liabilities			(17,946)		(14,215)
Funds of the charity					
Unrestricted income funds			(17,946)		(14,542)
Designated income funds			-		327
Total funds			(17,946)		(14,215)

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The notes on pages 12 to 19 form an integral part of these accounts.

These financial statements were approved by the Board on:

26 August 20

and are signed on its behalf by:

Ms LVW Armstrong
Chair



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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Derwent Initiative meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds deficit at the year end of - £17,946 and the trustees are reviewing the immediate future of the charity for the next 12 months as, outlined in their trustee report for 2019.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

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

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

3.4 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

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3.5 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.3 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.4 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.5 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis, the charity does not currently have any tangible fixed

Office and computer equipment	33% Straight line
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Analysis of income

	Unrestricted Funds £	Designated Funds £	Total 2019 £	Total 2018 £
6 Charitable activities				
The W A Handley Trust	2,250	-	2,250	2,250
Hadrian Trust	1,000	-	1,000	2,000
Victorian Registration and Qualifications Authority	2,474	-	2,474	-
Leisurewatch Membership	56,404	-	56,404	55,000
Leisurewatch new business	4,256	-	4,256	8,235
Specialist training	6,550	-	6,550	14,637
	<u>72,934</u>	<u>-</u>	<u>72,934</u>	<u>82,122</u>
7 Other trading activities				
Other income	57	-	57	228
	<u>57</u>	<u>-</u>	<u>57</u>	<u>228</u>

Income was £72,991 (2018: £82,350) of which £72,991 was unrestricted or designated (2018: £82,350) and £0 was restricted (2018: £0)

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Analysis of expenditure on charitable activities

	Unrestricted Funds £	Designated Funds £	Total 2019 £	Total 2018 £
8 Charitable activities				
<u>Direct costs</u>				
Wages and salaries	40,531	-	40,531	40,382
Staff pension costs	1,656	-	1,656	2,169
Consultancy - Kindling Limited	-	-	-	990
Training and consultancy	11,183	-	11,183	15,086
<u>Support costs</u>				
Rent, rates and water	14,921	-	14,921	14,872
Insurance	1,800	-	1,800	1,706
IT and communications	1,797	-	1,797	1,444
Payroll fees	585	-	585	640
Printing, postage and stationery	1,330	-	1,330	1,534
Other office costs	1,497	-	1,497	1,758
Miscellaneous costs	82	-	82	-
Depreciation	65	327	392	471
<u>Governance costs</u>				
Independent examiner's fees for reporting on the accounts	948	-	948	900
	<u>76,395</u>	<u>327</u>	<u>76,722</u>	<u>81,952</u>

Expenditure on charitable activities was £76,722 (2018: £81,952) of which £76,722 was unrestricted or designated (2018: £81,952) and £0 was restricted (2018: £0)

9 Fees for examination of the accounts

	2019 £	2018 £
Independent examiner's fees for reporting on the accounts	948	900
Other accountancy services paid to the examiner - payroll	130	791
	<u>1,078</u>	<u>1,691</u>

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NOTES TO THE FINANCIAL STATEMENTS

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10 Analysis of staff costs and the cost of key management personnel

	2019 £	2018 £
Salaries and wages	40,335	40,382
Social security costs	196	-
Pension costs (defined contribution pension plan)	1,656	2,169
	<u>42,187</u>	<u>42,551</u>

No employee received remuneration above £60,000 (2018: nil)

The key management personnel of the charity, comprise the trustees. The total employee benefits of the key management personnel of the charity were £0.

11 Staff numbers

The average monthly head count was 2 staff (2018: 2 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2019 Number	2018 Number
The parts of the charity in which the employee's work		
Charitable activities	1.5	1.5
	<u>1.5</u>	<u>1.5</u>

12 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties 2018

The following detail the related party transactions in the reporting period.

During the year the company received a loan from Ms D M Jenkins, a director / trustee of the company amounting to £15,000 (2018: £11,500). The total amount of the loan across 2018 and 2019 financial year totals £26,500 of which £3,000 was paid back in 2018 and £8,500 was paid back in 2019. The rate of interest charged is 0%. At the balance sheet date, the loan was still outstanding and is presented within creditors: amounts falling due after more than one year.

Also in the financial year an employee who is related to a director was paid £17,025 (2018: £17,054) salary on a normal commercial basis, there was no outstanding balance as at 31 December 2019.

A director is the step-mother of an employee of a client organisation named Ouseburn Farm.

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For the year ended 31 December 2019

13 Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The employer's pension costs represent contributions payable by the charity to the fund and amount to £1,656 (2018: £2,169). There was £0 outstanding as at 31 December 2019 (2018: £96).

14 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

15 Tangible fixed assets	Office and computer equipment	Total
	£	£
Cost		
Balance brought forward	5,311	5,311
Additions	-	-
Disposals	-	-
Balance carried forward	5,311	5,311
Depreciation		
Basis	SL	
Rate	33%	
Balance brought forward	4,919	4,919
Depreciation charge for year	392	392
Disposals	-	-
Balance carried forward	5,311	5,311
Net book value		
Brought forward	392	392
Carried forward	-	-

16 Debtors and prepayments (receivable within 1 year)

	2019 £	2018 £
Debtors	51,342	47,616
	51,342	47,616

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17 Cash at bank and in hand

	2019 £	2018 £
Cash at bank	3,248	6,532
Payroll holding account	40	896
	<u>3,288</u>	<u>7,428</u>

18 Creditors and accruals (payable within 1 year)

	2019 £	2018 £
Accruals		
Independent examination of accounts	948	900
Other accruals	1,905	4,476
Deferred income		
Leisurewatch Membership	54,723	55,774
	<u>57,576</u>	<u>61,150</u>

19 Creditors and accruals (payable after more than 1 year)

	2019 £	2018 £
Long Term Loan	15,000	8,500
	<u>15,000</u>	<u>8,500</u>

20 Deferred income

Deferred income comprises of advance payments from grants that relate to future periods

	2019 £
Balance brought forward	55,774
Amount released to income earned from charitable activities	(55,774)
Amount deferred in year	54,723
Balance carried forward	<u>54,723</u>

21 Events after the end of the reporting period

Due to the COVID-19 pandemic, it has put pressure on all businesses in 2020. It should be noted that the trade debtors have been received and the creditors are being paid when the payments are falling due. With the deferred income being held for the purposes of future expenditure during 2020.

The directors are in agreement that the remaining loan is only repaid when a sufficient cash surplus is achieved to allow for the business to continue operating.

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For the year ended 31 December 2019

22 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	(14,542)	72,991	(76,395)	-	(17,946)
Designated funds	327	-	(327)	-	-
Totals	(14,215)	72,991	(76,722)	-	(17,946)

Purpose of unrestricted funds

General unrestricted fund	The 'free reserves' of the charity
Designated funds	Asset value to offset depreciation charge.

23 Capital commitments

As at 31 December 2019, the charity had no capital commitments (2018 -£nil)

24 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Tangible fixed assets	-	-	-	392
Cash at bank and in hand	3,288	-	3,288	7,427
Other net current assets/(liabilities)	(6,234)	-	(6,234)	(13,534)
Long term assets/(liabilities)	(15,000)	-	(15,000)	(8,500)
	(17,946)	-	(17,946)	(14,215)