

Company registration number: 03527886

Charity registration number: 1069722

# Partnership for Growth

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 30 April 2021

Hodson and Co.  
Wiston House  
1 Wiston Avenue  
Worthing  
West Sussex  
BN14 7QL

## Partnership for Growth

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## Partnership for Growth

### Reference and Administrative Details

<b>Trustees</b>	J Lelliott N Heward S E Lakin V John
<b>Principal Office</b>	Link House Ferring Street Ferring West Sussex BN12 5JR
<b>Registered Office</b>	Link House Ferring Street Ferring West Sussex BN12 5JR
<b>Company Registration Number</b>	03527886
<b>Charity Registration Number</b>	1069722
<b>Solicitors</b>	George Ide LLP Lion House 79 St Pancras Chichester West Sussex PO19 7GE
<b>Bankers</b>	Barclays Bank Worthing 1 Chapel Road Worthing West Sussex BN11 1EX  National Westminster Bank Worthing 27 South Street Worthing West Sussex BN11 3AR
<b>Auditor</b>	Hodson and Co. Wiston House 1 Wiston Avenue Worthing West Sussex BN14 7QL

## **Partnership for Growth**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 April 2021.

#### **Objectives and activities**

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

The charity's object and principal activities are the relief of poverty, the advancement of education and the advancement of the Christian religion in any part of the world.

A key fundamental is the equipping of individuals in the beneficiary countries with materials, tools and skills to enable them to become self supporting. This is supplemented by some direct provision of Aid, and is achieved by activities which provide:-

- Gifts of Aid;
- Education for under privileged children and young adults;
- Sanctuary and support for under privileged individuals;
- Support of development of locally led charity work.

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

At the end of April 2016 the charity maintained five charity shops in the Worthing locality. It receives donated goods which are sold in the local charity shops and funds distributed to Eastern Europe. The sixth shop opened in April 2016 as a joint venture with another charity called INC (charity number 1156415), trading as Reloved. It was a charity which supported homeless and poor families in the local area. The shop was a 50/50 venture with all donated goods, income, expenditure and profit shared between the two charities. However in March 2021 the joint venture came to an end with Link to Hope retaining the lease on the shop and paying Reloved for the stock that remained in the shop, value of the business and 50% share of the joint bank account.

Project money is raised and administered in the UK, and channelled into a variety of projects. These range from education projects such as a kindergarten, homework club, parents school, Emmaus Club etc through to social care projects such as Canteens for the elderly, Lost & Found project, obtaining birth certificates, helping teenage mothers, supporting women with HIV and many other projects.

£60,000.00 was paid on the 29th November 2019 for Amherst House, Ferring Street, Ferring, BN12 5JR. The building will be the new head office, storage and distribution hub for the charity ongoing. At the end of February 2021 the building was almost ready to move into however on the 17th March 2021 there was an electrical fire that partly damaged the atrium area of the warehouse. Fortunately the building was insured and up to April 2021 work has begun on repairing the damaged areas.

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

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

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

##### ***Use of volunteers***

The charity is heavily dependent upon voluntary support to maintain its shop operation, and Shoebox Appeal, and utilises other voluntary support, e.g. warehouse operations.



## **Partnership for Growth**

### **Trustees' Report**

#### **Financial review**

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

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. The trustees will continue to review the financial affairs of the charity with the aim to increase income, cut costs and to improve overall control of its operations. The trustees consider that the present level of funding will be adequate to support the continuation of the charity and for it to fulfil its obligations.

Income peaks annually as a result of the Shoebox Appeal, and cash flow is consequently managed on an overall yearly basis. No reserves are held other than on a short term basis, although unrestricted reserves available at the year end are considered adequate to support the charity through the cycle

The trustees actively review the major risks that the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with the annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

##### ***Investment policy and objectives***

The objectives of the company authorises it to invest and deal with moneys not immediately required for its purposes in and upon such investments securities and property as may be thought fit.

#### **Going concern**

The charity has reviewed its financial performance and general reserves position. The charity has adequate financial resources and is able to manage its business risks. The charity's planning process has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

Taking into account all factors the charity has reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into the charity's ability to continue in operation.

The Covid-19 virus has had an impact on the Charity's activities, largely with having to close the charity shops during lockdowns. Whilst it is difficult to evaluate with any certainty the potential outcome on the charity's activities, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future.

Accordingly, the accounts have been prepared on the basis that the charity is a going concern.

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

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

The charity is constituted as a company by guarantee, and is therefore governed by a memorandum and articles of association.

## Partnership for Growth

### Trustees' Report

#### *Recruitment and appointment of trustees*

All directors of the company are also trustees of the charity, and there are no other trustees. The Board has the power to appoint additional trustees as it considers fit to do so.

None of the trustees has any beneficial interest in the charity. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

#### *Induction and training of trustees*

Potential trustees are selected on the basis of their personal qualities, Christian commitment and familiarity with the complex issues involved. A speciality linking to charity needs is also sought. New trustees are made familiar with the charity vision, operation and goals by dialogue with existing personnel and provision of minutes and other literature pertaining to charity activity.

All trustees are already familiar with the practical work of the charity. New trustees are encouraged to attend all management committee meetings. Short training sessions (if required) to familiarise new trustees with the charity and the context within which it operates are provided by the General Manager.

#### *Organisational structure*

The charity is organised so that the trustees meet regularly to manage its affairs. The trustees meet at least quarterly with additional meetings as required. The charity is overseen by the trustees, supported by paid staff and volunteers. The day to day management of the charity is delegated to its General Manager, Lisa Hector. The organisation operates in the UK from premises in Ferring Street, Ferring.

Key strategic and administrative decisions are made by agreement of the trustees, and delegated as appropriate. Day to day management of the charity is delegated to the General Manager, Lisa Hector.


#### *Disclosure of information to auditor*

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

#### *Small companies provision statement*

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 23 February 2022 and signed on its behalf by:



V John  
Trustee



## Partnership for Growth

### Statement of Trustees' Responsibilities

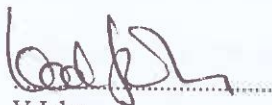
The trustees (who are also the directors of Partnership for Growth for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable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

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

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

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

Approved by the trustees of the charity on 23 February 2022 and signed on its behalf by:



V John  
Trustee

## **Partnership for Growth**

### **Independent Auditor's Report to the Members of Partnership for Growth**

#### **Opinion**

We have audited the financial statements of Partnership for Growth (the 'charity') for the year ended 30 April 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 April 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Other information**

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

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

We have nothing to report in this regard.

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

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:



## **Partnership for Growth**

### **Independent Auditor's Report to the Members of Partnership for Growth**

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Auditor's responsibilities for the audit of the financial statements**

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### Detecting irregularities, including fraud

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



## **Partnership for Growth**

### **Independent Auditor's Report to the Members of Partnership for Growth**

#### ***Identifying and assessing potential risks relating to irregularities***

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- We obtained an understanding of the legal and regulatory requirements applicable to the Charity and considered that the most significant are the Companies Act 2006 and UK taxation legislation.
- We obtained an understanding of how the Charity complies with these requirements by discussions with management and those charged with governance.
- We considered the nature of the industry and sector, control environment and business performance including the design of the Charity's remuneration policies.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: charity shop operation. In common with all audits under ISAs UK, we are also required to perform specific procedures to respond to the risk of management override.

#### ***Audit response to risks identified***

As a result of performing the above, we identified the operations of the charity's shops as a key audit matter related to the potential risk of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- In addressing the identified revenue fraud risk: testing the revenue system software controls and vouching their donation income to supporting documentation; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- In addressing the identified risk of charity shop operation, testing the appropriateness and controls in cash counting; the use of volunteers and performing detailed analytical procedures on the shop takings.

#### ***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations. If a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## Partnership for Growth

### Independent Auditor's Report to the Members of Partnership for Growth

#### Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Hodson (Senior Statutory Auditor)

For and on behalf of Hodson and Co., Statutory Auditor

Wiston House  
1 Wiston Avenue  
Worthing  
West Sussex  
BN14 7QL

23 February 2022



## Partnership for Growth

### Statement of Financial Activities for the Year Ended 30 April 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	724,099	23,205	747,304
Other trading activities	4	299,564	15,925	315,489
Other income	6	4,866	829	5,695
Total income		<u>1,028,529</u>	<u>39,959</u>	<u>1,068,488</u>
<b>Expenditure on:</b>				
Raising funds	7	(633,918)	-	(633,918)
Charitable activities		(457,355)	(94,734)	(552,089)
Other expenditure	9	(2,276)	-	(2,276)
Total expenditure		<u>(1,093,549)</u>	<u>(94,734)</u>	<u>(1,188,283)</u>
Net expenditure		(65,020)	(54,775)	(119,795)
Transfers between funds		<u>(112,321)</u>	<u>112,321</u>	<u>-</u>
Net movement in funds		(177,341)	57,546	(119,795)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>353,744</u>	<u>62,595</u>	<u>416,339</u>
Total funds carried forward	21	<u>176,403</u>	<u>120,141</u>	<u>296,544</u>

The notes on pages 14 to 27 form an integral part of these financial statements.

## Partnership for Growth

### Statement of Financial Activities for the Year Ended 30 April 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	1,051,755	64,323	1,116,078
Other trading activities	4	594,339	28,369	622,708
Investment income	5	1,508	-	1,508
Other income	6	6,448	-	6,448
Total income		<u>1,654,050</u>	<u>92,692</u>	<u>1,746,742</u>
<b>Expenditure on:</b>				
Raising funds	7	(652,480)	-	(652,480)
Charitable activities		<u>(921,478)</u>	<u>(138,160)</u>	<u>(1,059,638)</u>
Total expenditure		<u>(1,573,958)</u>	<u>(138,160)</u>	<u>(1,712,118)</u>
Net income/(expenditure)		80,092	(45,468)	34,624
Transfers between funds		<u>(38,382)</u>	<u>38,382</u>	<u>-</u>
Net movement in funds		41,710	(7,086)	34,624
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>312,034</u>	<u>69,680</u>	<u>381,714</u>
Total funds carried forward	21	<u>353,744</u>	<u>62,594</u>	<u>416,338</u>

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

The funds breakdown for 2020 is shown in note 21.

The notes on pages 14 to 27 form an integral part of these financial statements.

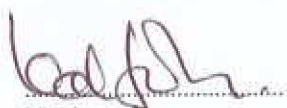
## Partnership for Growth

(Registration number: 03527886)

Balance Sheet as at 30 April 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	16	104,808	94,426
<b>Current assets</b>			
Debtors	17	21,692	56,051
Cash at bank and in hand		251,797	304,452
		273,489	360,503
<b>Creditors: Amounts falling due within one year</b>	18	(31,753)	(38,591)
<b>Net current assets</b>		241,736	321,912
<b>Total assets less current liabilities</b>		346,544	416,338
<b>Creditors: Amounts falling due after more than one year</b>	19	(50,000)	-
<b>Net assets</b>		296,544	416,338
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	21	120,141	62,594
<b>Unrestricted income funds</b>			
Unrestricted funds		176,403	353,744
<b>Total funds</b>	21	296,544	416,338

The financial statements on pages 10 to 27 were approved by the trustees, and authorised for issue on 23 February 2022 and signed on their behalf by:



V John  
Trustee

The notes on pages 14 to 27 form an integral part of these financial statements.



## Partnership for Growth

### Statement of Cash Flows for the Year Ended 30 April 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash (expenditure)/income		(119,795)	34,624
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	7, 9	15,878	17,690
Investment income	5	-	(1,508)
		(103,917)	50,806
<b>Working capital adjustments</b>			
Decrease/(increase) in debtors	17	34,359	(24,752)
(Decrease)/increase in creditors	18	(6,837)	440
Net cash flows from operating activities		(76,395)	26,494
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	-	1,508
Purchase of tangible fixed assets	16	(26,260)	(62,506)
Net cash flows from investing activities		(26,260)	(60,998)
Net decrease in cash and cash equivalents		(52,655)	(34,504)
Cash and cash equivalents at 1 May		304,452	338,956
Cash and cash equivalents at 30 April		251,797	304,452

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

The notes on pages 14 to 27 form an integral part of these financial statements.

## **Partnership for Growth**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### **1 Charity status**

The charity is limited by share capital, incorporated in .

The address of its registered office is:

Link House  
Ferring Street  
Ferring  
West Sussex  
BN12 5JR

The principal place of business is:

Link House  
Ferring Street  
Ferring  
West Sussex  
BN12 5JR

These financial statements were authorised for issue by the trustees on 23 February 2022.

#### **2 Accounting policies**

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

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

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

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

Partnership for Growth meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

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

The trustees have assessed the impact of the Covid-19 virus and it is difficult to evaluate with any certainty the potential outcome on the charity's activities. However, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

## **Partnership for Growth**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### **Judgements**

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.

Donated shoeboxes are filled with items from a standard list. These are valued at £20 each with reference to the standard list and reviewed annually.

#### **Income and endowments**

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

#### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

#### **Grants receivable**

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

#### **Expenditure**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its members. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Where costs cannot be directly attributed they are estimated based on activity levels in relation to staff costs.

Donations paid for the relief and development of projects are included in the statement of financial activities when donated. Donated shoeboxes are included in Provision of Aid when donated by the charity.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.



## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### Taxation

The charitable company is registered as a charity and is exempt from taxation (except for Value Added Tax) on its income and capital gains applied for charitable purposes.

#### Tangible fixed assets

All fixed assets are initially recorded at cost. Tangible fixed asset additions are capitalised and depreciated in the year of purchase. Expenditure of less than £500 is not capitalised and is charged as an expense in the statement of financial activities.

#### Depreciation and amortisation

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

Asset class	Depreciation method and rate
Motor vehicle	over 4 years
Equipment	over 4 years

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Partnership for Growth**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

#### **Fund structure**

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

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

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

#### **Financial instruments**

##### ***Classification***

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



## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### Defined contribution plan

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises

#### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations and gifts	528,703	23,205	551,908	963,177
Legacies	5,002	-	5,002	40,000
Gift aid reclaimed	9,860	-	9,860	-
Grants, including capital grants;				
Government grants	180,534	-	180,534	112,901
	<u>724,099</u>	<u>23,205</u>	<u>747,304</u>	<u>1,116,078</u>

#### 4 Income from other trading activities

	Unrestricted funds General £	Restricted funds £	Total funds £	Total 2020 £
Trading income;				
Shop income	279,138	-	279,138	536,149
Fundraising events	20,426	15,925	36,351	86,559
	<u>299,564</u>	<u>15,925</u>	<u>315,489</u>	<u>622,708</u>

#### 5 Investment income

	Total 2021 £	Total 2020 £
Interest receivable and similar income;		
Interest receivable on bank deposits	<u>-</u>	<u>1,508</u>



## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 6 Other income

	Unrestricted		
	General	Restricted	
	£	£	
Gift Aid tax reclaimed	-	829	829
Gift Aid tax reclaimed	4,865	-	4,865
Other income	1	-	1
	<u>4,866</u>	<u>829</u>	<u>5,695</u>
			<u>6,448</u>

#### 7 Expenditure on raising funds

##### a) Costs of generating donations and legacies

	Unrestricted		
	General	Total	Total
	£	2021	2020
	£	£	£
Staff costs	89,042	89,042	46,801
Marketing and publicity	3,874	3,874	4,594
Establishment costs	83,985	83,985	76,084
Other direct costs of generating voluntary income	861	861	9,162
	<u>177,762</u>	<u>177,762</u>	<u>136,641</u>

## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### b) Costs of trading activities

Note	Unrestricted funds General £	Total 2021 £	Total 2020 £
Fundraising trading costs;			
Publicity	1,937	1,937	5,162
Shop costs - staff	221,631	221,631	256,406
Shop costs - establishment	130,864	130,864	172,676
Joint Venture - Ferring	48,940	48,940	23,241
Depreciation, amortisation and other similar costs	15,878	15,878	17,690
Other direct costs of activities for generating funds	36,906	36,906	40,664
	<u>456,156</u>	<u>456,156</u>	<u>515,839</u>

#### 8 Expenditure on charitable activities

	Unrestricted General £	Restricted £	Total 2021 £	Total 2020 £
Education and skills	10,897	27,259	38,156	147,105
Provision of aid	446,458	65,675	512,133	864,715
Support costs	-	1,800	1,800	47,818
	<u>457,355</u>	<u>94,734</u>	<u>552,089</u>	<u>1,059,638</u>
	Activity undertaken directly £	Activity support costs £	Total 2021 £	Total 2020 £
Education and skills	38,156	450	38,606	159,060
Provision of aid	512,133	1,350	513,483	900,578
	<u>550,289</u>	<u>1,800</u>	<u>552,089</u>	<u>1,059,638</u>

Of the above expenditure in 2020, £138,160 was attributable to Restricted Funds.

In addition to the expenditure analysed above, there are also governance costs of £8,058 (2020: 8,740) which relate directly to charitable activities. See note 10 for further details.

## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 9 Other expenditure

	Note	Unrestricted funds General £	Total 2021 £
Other resources expended		2,276	2,276
		<u>2,276</u>	<u>2,276</u>

#### 10 Analysis of governance and support costs

##### Support costs allocated to charitable activities

	Basis of allocation	Staff costs £	Total 2021 £	Total 2020 £
Support costs	See below	1,800	1,800	47,818

##### Basis of allocation

Reference	Method of allocation
Education and skills	25% of the administration costs
Provision of aid	75% of the administration costs

##### Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Audit fees			
Audit of the financial statements	4,575	4,575	4,750
Other fees paid to auditors	925	925	325
Legal fees	2,150	2,150	3,257
Other governance costs	408	408	408
	<u>8,058</u>	<u>8,058</u>	<u>8,740</u>

#### 11 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2021 £	2020 £
Audit fees	4,575	4,750
Depreciation of fixed assets	15,878	17,690
Operating lease rentals	<u>683</u>	<u>780</u>



## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 12 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

##### V John

£Nil (2020: £708) of expenses were reimbursed to V John during the year.

The expenses incurred were a reimbursement of mileage.

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

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

#### 13 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	286,975	324,439
Social security costs	17,660	21,394
Employer contribution to pension plans	6,924	7,735
	<u>311,559</u>	<u>353,568</u>

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

	2021 No	2020 No
Number of production staff	18	18
Number of management staff	2	3
	<u>20</u>	<u>21</u>

No employee received emoluments of more than £60,000 during the year.

#### 14 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>4,575</u>	<u>4,750</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>925</u>	<u>325</u>

## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 15 Taxation

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

#### 16 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 May 2020	62,506	30,360	52,539	145,405
Additions	26,260	-	-	26,260
At 30 April 2021	88,766	30,360	52,539	171,665
<b>Depreciation</b>				
At 1 May 2020	-	28,219	22,760	50,979
Charge for the year	2,050	1,046	12,782	15,878
At 30 April 2021	2,050	29,265	35,542	66,857
<b>Net book value</b>				
At 30 April 2021	86,716	1,095	16,997	104,808
At 30 April 2020	62,506	2,141	29,779	94,426

Included within the net book value of land and buildings above is £Nil (2020 - £Nil) in respect of freehold land and buildings and £86,716 (2020 - £62,506) in respect of leaseholds.

#### 17 Debtors

	2021 £	2020 £
Trade debtors	2,901	2,852
Prepayments	12,266	13,010
Accrued income	-	30,000
VAT recoverable	3,979	5,327
Other debtors	2,546	4,862
	21,692	56,051

## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

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

	2021	2020
	£	£
Trade creditors	1,226	5,805
Other taxation and social security	10,674	6,427
Other creditors	10,932	10,242
Accruals	8,921	16,117
	<u>31,753</u>	<u>38,591</u>

At 30 April 2021 £nil (2020 £10,000) was owed to the Joint Venture partner in respect of initial working capital and is included under 'Other creditors'.

#### 19 Creditors: amounts falling due after one year

	2021
	£
Bank loans	<u>50,000</u>

#### 20 Obligations under leases and hire purchase contracts

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Within one year	85,800	113,467
Between one and five years	164,603	209,903
After five years	11,667	46,667
	<u>262,070</u>	<u>370,037</u>



## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 21 Funds

The Moldovan Soup Kitchen fund provides a building in Cosnita, Moldova which provides food to between 50-100 people a day.

The Future Changes project supports a team of social workers and teachers in transforming the 'Dallas' community in Iasi, Romania. The social worker visits families in the Shanty town to help with medical and dental bills, food parcels, clothing and encouraging children to attend the kindergarten the team run. It also runs the Homework Club for 7-11 years old who struggle to do their homework due to poor housing conditions and the Little Rainbows Kindergarten for 5-7 years old. It also runs a Parents School. Assistance is also given with winter fuel needs and building maintenance.

The Inn of Love provides a food service for 60 of the elderly population in Dancu, Moldova.

Funds for the Youth & Community centre are used for the upkeep of the centre and for community cohesion events. It also accommodates the Inn of Love and the Emmaus Club for children with special educational needs.

Washing Machine Ministry in Borzieni, Moldova seeks to help the elderly and vulnerable in the washing of clothes and bedding. Food parcels are also given out to the elderly three times a week.

In Ukraine and Bulgaria the projects that are supported are adult prison visiting and provision in Lviv, a school for gypsy children in Odessa and support for Mothers with HIV in Zaporozhye. In Bulgaria the fund supports a education projects in Chirpan.

The Cluj shower block fund is to maintain support for the a shower block for marginalised individual and families with no basic amenities.

Projects that the Ducker Family who lived in Moldova are continuing to fund after their return to the UK. These are mainly summer camps for children in poor communities in villages such as Poganesti and Razes in Western Moldova.

Four projects are currently being supported in Cluj, Romania. These are support for teenage mothers amongst the Roma Community, a work skills programme for young men and women, a shower block building project and a Lost & Found project that helps illiterate and educated people navigate a technological world. They help with administration, hospital appointments, accessing government support, dealing with legal issues etc.

Ashcombe school raise funds each year to pay for wood to be bought for some of the families that live in Dallas Shanty Town, Iasi, Romania. This is where the Future Changed Team work.

Dubovca - Funds are supplied to help with the transportation of volunteers to help with work in that village. This also funds a Sunday school and education projects. A community centre is also being built.

Pervomaiscoe - Funds to build and support a kitchen to feed elderly people three times a week.

New Living Will Legacy is a sum of money that has been left to us to spend on education projects.

Harvest has failed - Moldova drought fund.

Good Homes for All - is part of the Future Changed Project.

## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

	Bal at 1 May 2020 £	Incoming resources £	Resources expended £	Tfrs £	Bal at 30 April 2021 £
<b>Unrestricted</b>					
General fund	353,744	1,028,529	(1,093,549)	(112,321)	176,403
<b>Restricted</b>					
Moldova Soup kitchen	251	-	(3,000)	3,000	251
Future Changed Project	3,950	12,348	(28,659)	55,778	43,417
Farm of Hope Future Changed	3,228	335	-	(3,563)	-
Inn of Love-Meals on Wheels-Dancu	936	1,200	(10,878)	16,465	7,723
Emmaus Club-Special Needs-Dancu	2,730	-	(5,466)	8,000	5,264
Youth & Community Centre-Dancu	300	-	(400)	100	-
Vulcanizare	310	-	-	(310)	-
Ukraine	56	3,950	(3,411)	2,700	3,295
Homework Club - Iasi	128	150	-	-	278
Cluj - shower block	9,054	2,500	(1,494)	-	10,060
The Duckers Moldovan Mission	160	3,470	(3,570)	-	60
Cluj - Romania	832	397	(7,328)	11,000	4,901
Dubovca	6,247	3,650	(8,300)	3,000	4,597
Pervomaiscoe	347	180	(9,324)	17,000	8,203
Bags of Education	2,452	1,616	(242)	-	3,826
Good Homes for All	63	-	-	-	63
New Living Will Legacy	26,500	-	(4,350)	-	22,150
Dubcovca Emergency	5,050	-	-	-	5,050
Washing Machine Project	-	1,814	(1,811)	1,000	1,003
Harvest Has Failed	-	8,349	(6,500)	(1,849)	-
<b>Total restricted</b>	<u>62,594</u>	<u>39,959</u>	<u>(94,733)</u>	<u>112,321</u>	<u>120,141</u>
<b>Total funds</b>	<u>416,338</u>	<u>1,068,488</u>	<u>(1,188,282)</u>	<u>-</u>	<u>296,544</u>

## Partnership for Growth

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 22 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 30 April 2021 £
Tangible fixed assets	104,808	104,808
Current assets	273,489	273,489
Current liabilities	(31,753)	(31,753)
Creditors over 1 year	(50,000)	(50,000)
Total net assets	<u>296,544</u>	<u>296,544</u>
	Unrestricted funds General £	Total funds at 30 April 2020 £
Tangible fixed assets	94,426	94,426
Current assets	360,503	360,503
Current liabilities	(38,591)	(38,591)
Total net assets	<u>416,338</u>	<u>416,338</u>

#### 23 Analysis of net funds

	At 1 May 2020 £	Financing cash flows £	At 30 April 2021 £
Cash at bank and in hand	304,452	(52,655)	251,797
Net debt	<u>304,452</u>	<u>(52,655)</u>	<u>251,797</u>
	At 1 May 2019 £	Financing cash flows £	At 30 April 2020 £
Cash at bank and in hand	338,956	(34,504)	304,452
Net debt	<u>338,956</u>	<u>(34,504)</u>	<u>304,452</u>

#### 24 Related party transactions

During the year the charity made the following related party transactions:

##### **Lisa Hector**

(CEO of the Charity.)

Expenses reimbursed in the year of £nil (2020: £310). At the balance sheet date the amount due to/from Lisa Hector was £Nil (2020 - £Nil).



