

Charity Registration No. 1088344

Company Registration No. 2229357 (England and Wales)

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs Eleanor Morrissey	
Mrs Anne-Marie Tierney	
Miss Fiona Miller	
Mrs Adele Wakefield	
Ms Leanne Kerry	(Appointed 13 August 2020)
Mrs Emma-Jayne Williams	(Appointed 17 February 2021)
Mrs Jacqui Riley	(Appointed 17 February 2021)
Mr Jack Brereton	(Appointed 17 February 2021)
Dr Farah Mendlesohn	(Appointed 17 February 2021)
Mr Malcolm Jolliffe	(Appointed 14 July 2021)
Mrs Suzanne Banks	(Appointed 14 July 2021)

Company Secretary

Mrs Adele Wakefield

Charity number

1088344

Company number

2229357

Registered office

Rothesay Court, Furnace Road, Stoke-on-Trent, ST3 4LY

Senior Management Team

Mrs Wendy Hocking	Chief Executive	(Resigned 24/7/2020)
Mrs Adele Bryant	Acting Chief Executive	(Appointed 24/7/2020; resigned 30/6/2021)
Dr Ann Ewens	Chief Executive Officer	(Appointed 1/7/2021)
Ms Jean Lawton	Accommodation Manager/ Deputy CE	(Resigned 30/6/2021)
Mrs Nikki Evans	Finance Manager	
Ms Steph Hughes	Operational/ Outreach Manager	

Auditor

Geens Limited, 68 Liverpool Road, Stoke-on-Trent, ST4 1BG

Bankers

Barclays Bank, Leicester, LE87 2BB

Solicitors

Grindeys Solicitors, Glebe Court, Stoke-on-Trent, ST4 1ET

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

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THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

As Trustees of The Gingerbread Centre it is our privilege to present the trustees report and audited financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2019) and comply with all the statutory requirements of the charity's governing document.

Objectives and activities

Our objectives and principal activities are:

- 1) to provide counselling, support, advice and help in Stoke on Trent and Staffordshire and surrounding counties to those who are in need, hardship or distress.
- 2) to provide short term, supported accommodation to parents and children of vulnerable families and single pregnant women.

We confirm that we have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The Gingerbread Centre has been providing supported accommodation and related services to vulnerable persons in the Stoke-on-Trent area for over 43 years.

Our service users benefit from receiving, in addition to accommodation, personal advice for their circumstances, which changes their outlook on life, allowing them to see other opportunities. We provide them with activities and situations to improve their confidence and give them skills to see a better future.

The Charity operates from two centres:

Rothsay Court: Homeless families unit

Rothsay Court provides 22 units of Supported Accommodation for Homeless Families including lone mothers, fathers, single pregnant women and couples. It has 7 units of resettlement support. The support focuses on the skills needed for independent living for example, support with budgeting, establishing networks for support, accessing training and development and obtaining move on, settled, and/ or secure accommodation. Resettlement support is provided where required for families moving on from the service while they settle into and set up a new home.

The team of staff work in partnership with social care, health visitors, midwives, local housing providers, mental health services and other specialist services as required, as well as other local charities and donations to provide extra support and assistance balanced with the need to empower and enable residents to use their own skills, knowledge and resourcefulness to live independently. Personal support plans are completed with each resident using the evidence based tool.

Catherine Court: Teenage parents unit

Catherine Court is an accommodation-based service that provides housing related support specifically for expectant teenage mothers, and teenage parents who need to develop the skills and ability to parent well and live independently in their own home.

Catherine Court consists of 7 self-contained flats and 4 two-bedroom properties. This is a 24-hour supported accommodation service for pregnant or parenting teenagers aged 16-19 and their children, along with teenage couples. Floating support is available to support users for up to three months after they move in to their own accommodation.

Achievable support plans and individualised packages are developed with each young parent and include positive parenting, life skills, budgeting, managing a tenancy, education and independent living skills.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Our accommodation occupancy rate for the year across both units is around 95% demonstrating high demand for the services we provide.

Financial review

The Gingerbread Centre has had a successful year, especially when considering that during the pandemic fundraising events were unable to take place. We successfully applied for several grants from a variety of sources that increased income in the year. In total we received income of £1,074,837 (2020: £953,580) and incurred total expenditure of £1,024,583 (2020 - £945,385) and generated a surplus after investment gains and losses of £48,060 (2020 - £4,862). Surpluses have been achieved without compromising service provision, in an environment of increasingly tight funding.

Reserves are held to ensure that the Charity has the ability to withstand any unforeseen drops in income and to provide capital for future strategic growth.

At the balance sheet date the Charity had total reserves of £348,652 (2020: £300,591) of which £295,577 (2020: £292,092) are unrestricted reserves. The Management Committee considers the current reserves are an adequate buffer against risks that cannot be negated by other means, whilst underpinning the strategic plan for the future of the Charity.

At the balance sheet date the Charity held cash at bank and investments totalling £416,089 (2020: £353,006). As with reserves, these liquid funds provide a buffer against unforeseen drops in income or working capital providing security that the Charity will be able to meet its financial obligations as they fall due.

Principal Risks and Uncertainties

The governance of The Gingerbread Centre is underpinned by a robust risk management process which includes the maintenance and review of a risk register. Within the risk register major risks are identified and reviewed by the Chief Executive Officer and Management Committee at regular meetings and systems and procedures have been established to manage these risks.

The main risks we face are:

a) Loss of Rothesay Court or Catherine Court contracts

During the year we have successfully retendered for these contracts for another 5 years, dependent on achieving performance outcomes. Loss of these core contracts is mitigated by:

- achieving performance outcomes
- achieving successful service review reports
- working closely with commissioners to put us in the best position to successfully retender for contracts.

b) Financial sustainability

Financial sustainability is a risk due to tight budgets for both of the main contracts and a lack of diversity in our income streams. We are mitigating this risk by developing a robust fundraising strategy with stretch targets and the identification of new fundraising opportunities. We have successfully appointed to post a new fundraiser. On 01 July 2021 we appointed to the substantive Chief Executive Officer role and work is underway to develop a new 3-year strategy including a stronger business development focus aiming to support further service development.

c) Reputation

The Gingerbread Centre is held in high regard by local people and stakeholder partners and protecting our reputation requires mitigating actions, notably continuing to deliver excellent service, operating within agreed policies and procedures and successful recruitment, retention and development of our staff.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

d) COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continued to spread throughout the United Kingdom and throughout many parts of the World.

In response to the pandemic we have implemented policies and procedures to protect the health and safety of our staff and service users including robust cleansing routines, distancing policies, provision of PPE and hand sanitizer and allowing home working.

We have also revised our budgets and forecasts to take account of the expected financial impact of the pandemic. Our revised budgets forecast a small surplus for the year as although a loss of fundraising income is expected this is mitigated in full by new grants we have secured. We expect that demand for core services will continue to be high throughout the pandemic.

Plans for future periods

We plan to continue providing supported accommodation and related services at Rothesay Court and Catherine Court for the foreseeable future subject to satisfactory funding arrangements.

The Trustees meet annually to review the strategic direction of the Charity. The Trustees agree that we need to diversify our funding arrangements as part of our risk management strategy to sustain the charity financially, plus this will enable us to reach more service users.

Structure, governance and management

The Gingerbread Centre is a registered charity and is a company limited by guarantee and is constituted under a Memorandum of Association dated 18th April 2016.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs Catherine Crockett	(Retired 15 December 2020)
Mrs Eleanor Morrissey	
Mrs Anne-Marie Tierney	
Mrs Claire McQuillan	(Retired 5 June 2020)
Mr Keith Davis	(Retired 15 December 2020)
Miss Fiona Miller	
Mrs Adele Wakefield	
Ms Leanne Kerry	(Appointed 13 August 2020)
Mrs Emma-Jayne Williams	(Appointed 17 February 2021)
Mrs Jacqui Riley	(Appointed 17 February 2021)
Mr Jack Brereton	(Appointed 17 February 2021)
Dr Farah Mendlesohn	(Appointed 17 February 2021)
Mr Malcolm Jolliffe	(Appointed 14 July 2021)
Mrs Suzanne Banks	(Appointed 14 July 2021)

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute an amount not exceeding £10 in the event of a winding up.

Recruitment and Appointment of the Management Committee

Under the requirements of the Memorandum and Articles of Association the members of the Management Committee shall retire from office in rotation every three years at the Annual General Meeting, after which they can be re-elected, if willing to stand and if the vacancy remains.

The Management Committee seeks to ensure that the needs of the organisation and its client group are appropriately reflected in the diversity of the trustee body. To maintain this broad mix of skills, members of the Management Committee are requested to complete a skills audit which is updated each year. If skills are lost or numbers of members decrease due to retirement, then recruitment will take place.

Introduction of new trustees is done via word of mouth and personal recommendation, or via a specialist recruitment agency.

Organisation Structure

The Gingerbread Centre has a Management Committee who meet at least 4 times per year and who are responsible for the strategic direction and policy of the Charity. At present the Management Committee has eleven members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Chief Executive Officer, along with the Senior Management team. The Chief Executive Officer has responsibility for all aspects of the day to day operations of the Charity to ensure that it delivers the services specified, remains strategically relevant and that key performance indicators are met. The Chief Executive Officer currently also has responsibility for funding and health and safety. The operational managers are responsible for the day to day operational management of the supported accommodation at both Rothesay Court and Catherine Court. One of the operational managers retired on 30th June 2021. The Finance Manager has responsibility for all day to day financial matters of the organisation.

Induction and Training of Trustees

Most trustees are already familiar with the practical work of the Charity. New trustees are given relevant information about their roles and responsibilities and about the Charity in accordance with our policy for appointment of trustees. Trustees are encouraged to visit the Charity, to attend viewings of the premises, and informal meetings are held with the Chief Executive Officer and staff. Training opportunities are circulated to trustees and they are involved in planning meetings with senior management.

During the Trustee induction new trustees are provided with a comprehensive handbook covering all relevant policies, procedures and other relevant information, such as a copy of the Essential Trustee.

Remuneration policy

Arrangements for setting the pay of the Charity's key personnel is currently the same as for all other employees. As part of the budget setting process for the new financial year, a salary increase option appraisal is taken for the trustees for discussion and decision, included is a simple benchmark of local salary rates for similar roles and this information feeds in to the discussion. The Management Committee then consider staff remuneration and salary increases in relation to their finances.

The trustees' report was approved by the Board of Trustees.

Mrs Eleanor Morrissey

Trustee

Dated: 21 October 2021

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of The Stoke-on-Trent and District Gingerbread Centre for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

Opinion

We have audited the financial statements of The Stoke-on-Trent and District Gingerbread Centre (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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.

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 financial statements are 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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

As part of our planning process:

- we enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, whether there was any known, suspected or alleged fraud. the charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP. FRS 102, Charities Act 2011. Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with relevant laws and regulations.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Obtaining third party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as charity board minutes for discussions of irregularities including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Geens Limited

21 October 2021

**Chartered Accountants
Statutory Auditor**

Geens Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	2	76,360	108,809	185,169	50,063	-	50,063
Charitable activities	3	625,709	258,580	884,289	617,818	247,394	865,212
Other trading activities	4	1,005	-	1,005	33,787	-	33,787
Investments	5	3,906	-	3,906	2,108	-	2,108
Other income		468	-	468	2,410	-	2,410
Total income		707,448	367,389	1,074,837	706,186	247,394	953,580
<u>Expenditure on:</u>							
Raising funds	6	390	-	390	14,069	-	14,069
Charitable activities	7	701,769	322,814	1,024,583	682,692	248,624	931,316
Total resources expended		702,159	322,814	1,024,973	696,761	248,624	945,385
Net gains/(losses) on investments		(1,804)	-	(1,804)	(3,333)	-	(3,333)
Gross transfers between funds		-	-	-	64,120	(64,120)	-
Net movement in funds		3,485	44,575	48,060	70,212	(65,350)	4,862
Fund balances at 1 April 2020		292,092	8,500	300,592	221,880	73,849	295,729
Fund balances at 31 March 2021		295,577	53,075	348,652	292,092	8,499	300,591

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		30,256		38,933
Investments	14		79,863		81,667
			<u>110,119</u>		<u>120,600</u>
Current assets					
Debtors	15	46,521		46,315	
Cash at bank and in hand		336,226		271,339	
		<u>382,747</u>		<u>317,654</u>	
Creditors: amounts falling due within one year	16	(144,214)		(137,663)	
Net current assets			<u>238,533</u>		<u>179,991</u>
Total assets less current liabilities			<u>348,652</u>		<u>300,591</u>
Income funds					
Restricted funds	19		53,075		8,499
<u>Unrestricted funds</u>					
Designated funds	20	57,178		37,244	
General unrestricted funds		<u>238,399</u>		<u>254,848</u>	
			<u>295,577</u>		<u>292,092</u>
			<u>348,652</u>		<u>300,591</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the financial statements

The trustees have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 21 October 2021

Mrs Eleanor Morrissey

Trustee

Company Registration No. 2229357

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	24		65,061		44,219
Investing activities					
Purchase of tangible fixed assets		(4,080)		(25,784)	
Purchase of investments		-		(85,000)	
Investment income received		3,906		2,108	
Net cash used in investing activities			(174)		(108,676)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			64,887		(64,457)
Cash and cash equivalents at beginning of year			271,339		335,796
Cash and cash equivalents at end of year			336,226		271,339

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The Stoke on Trent and District Gingerbread Centre Limited is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Rothesay Court, Furnace Road, Stoke on Trent, ST3 4LY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy.

1.2 Going concern

Despite the coronavirus, at the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Rental income is recognised on an accruals basis.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

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

1.5 Expenditure

Liabilities are recognised as resources expended where there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under appropriate headings. Where costs cannot be directly attributed to particular headings (support costs) they have been allocated to activities on a basis consistent with use of the resources.

The cost of Raising Funds include costs of generating voluntary income and fund raising trading plus a share of support costs.

Charitable Activities comprise those activities set out in detail in the report of the trustees

Governance costs are those associated with the governance arrangements of the charity which relate to the general running of the charity. This includes internal and external audit, insurance costs, legal advice for trustees and costs associated with constitutional and statutory requirements such as the cost of trustee meetings and preparing the statutory accounts, plus a share of support costs.

Support costs are those costs incurred in the support of the fund raising, governance and charitable activities which cannot be directly attributed. They have been attributed to activities as described in the notes to the financial statements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	Straight line - 12.5% to 33.33%
----------------------------------	---------------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charitable company only has financial assets and 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 any bank loans which are measured at amortised cost using the effective interest method.

1.11 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	36,060	-	36,060	16,763
Other grants	40,300	108,809	149,109	33,300
	<u>76,360</u>	<u>108,809</u>	<u>185,169</u>	<u>50,063</u>
Grants receivable for core activities				
Lloyds Foundation	33,300	-	33,300	33,300
The National Lottery Fund	-	29,708	29,708	-
Homeless Link	7,000	20,000	27,000	-
Grants for children's play area	-	22,152	22,152	-
Other COVID Grants	-	23,597	23,597	-
Community Foundation	-	13,352	13,352	-
	<u>40,300</u>	<u>108,809</u>	<u>149,109</u>	<u>33,300</u>

3 Charitable activities

	2021 £	2020 £
Accommodation and support	848,443	829,857
Play today and SUI	35,846	35,355
	<u>884,289</u>	<u>865,212</u>
Analysis by fund		
Unrestricted funds	625,709	617,818
Restricted funds	258,580	247,394
	<u>884,289</u>	<u>865,212</u>

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising events	1,005	33,787

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Income from unlisted investments	3,679	1,182
Bank Interest	227	926
	3,906	2,108

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising and publicity		
Other fundraising costs	390	14,069
	390	14,069

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	Accommodation and support	Play today & SUI	Total 2021	Accommodation and support	Play today & SUI	Total 2020
	£	£	£	£	£	£
Staff costs	578,764	27,558	606,322	542,408	31,343	573,751
Depreciation and impairment	6,360	-	6,360	4,509	-	4,509
Recruitment and training	7,356	432	7,788	7,777	384	8,161
Travel	290	-	290	1,895	-	1,895
Premises	272,840	6,944	279,784	202,503	3,628	206,131
	<u>865,610</u>	<u>34,934</u>	<u>900,544</u>	<u>759,092</u>	<u>35,355</u>	<u>794,447</u>
Share of support costs (see note 9)	113,556	-	113,556	122,070	-	122,070
Share of governance costs (see note 9)	10,483	-	10,483	14,799	-	14,799
	<u>989,649</u>	<u>34,934</u>	<u>1,024,583</u>	<u>895,961</u>	<u>35,355</u>	<u>931,316</u>
Analysis by fund						
Unrestricted funds	701,769	-	701,769	682,692	-	682,692
Restricted funds	287,880	34,934	322,814	213,269	35,355	248,624
	<u>989,649</u>	<u>34,934</u>	<u>1,024,583</u>	<u>895,961</u>	<u>35,355</u>	<u>931,316</u>

8 Description of charitable activities

Accommodation and support

Offers supported accommodation for homeless families and expectant teenage mothers.

Play today SUI

The activity club encourages interaction through play between children and their parents to build on family relationships.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	25,351	4,474	29,825	46,431	8,193	54,624
Depreciation	6,398	-	6,398	4,649	-	4,649
Recruitment and training	697	-	697	2,468	-	2,468
Travel	20	-	20	1,149	-	1,149
Office premises	9,698	-	9,698	6,209	-	6,209
Other core costs	71,392	-	71,392	61,164	-	61,164
Audit and accountancy	-	5,415	5,415	-	5,202	5,202
Other governance costs	-	594	594	-	1,404	1,404
	<u>113,556</u>	<u>10,483</u>	<u>124,039</u>	<u>122,070</u>	<u>14,799</u>	<u>136,869</u>
Analysed between						
Charitable activities	<u>113,556</u>	<u>10,483</u>	<u>124,039</u>	<u>122,070</u>	<u>14,799</u>	<u>136,869</u>

10 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2021 £	2020 £
Audit of the annual accounts	3,150	3,000
Non-audit services		
Non-audit services - accountancy	<u>2,250</u>	<u>2,202</u>

11 Trustees

No trustees received any remuneration in the year. No trustees received reimbursement of expenses in the current year.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable activities	30	30
Management and administration of the charity	4	4
	<u>34</u>	<u>34</u>

Employment costs

	2021 £	2020 £
Wages and salaries	583,212	571,980
Social security costs	32,238	33,142
Other pension costs	20,697	23,253
	<u>636,147</u>	<u>628,375</u>

There were no employees whose annual remuneration was £60,000 or more.

13 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 April 2020	52,597
Additions	4,080
	<u>56,677</u>
At 31 March 2021	
Depreciation and impairment	
At 1 April 2020	13,664
Depreciation charged in the year	12,757
	<u>26,421</u>
At 31 March 2021	
Carrying amount	
At 31 March 2021	30,256
	<u>38,933</u>
At 31 March 2020	

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2020	81,667
Valuation changes	(1,804)
At 31 March 2021	79,863
Carrying amount	
At 31 March 2021	79,863
At 31 March 2020	81,667

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	35,649	35,848
Prepayments and accrued income	10,872	10,467
	46,521	46,315

16 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		15,399	18,445
Deferred income	17	62,281	44,663
Trade creditors		10,162	17,688
Other creditors		47,472	47,497
Accruals		8,900	9,370
		144,214	137,663

17 Deferred income

	2021 £	2020 £
Other deferred income	62,281	44,663

This income has been deferred to the following year due to the timing of the company's entitlement to it.

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £20,697 (2020 - £23,253).

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019 £	Movement in funds		Transfers £	Balance at 1 April 2020 £	Movement in funds		Resources expended 31 March 2021 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended 31 March 2021 £	
Children in Need	6,710	35,355	(35,355)	(6,710)	-	35,846	(35,846)	-
Big Lottery CCTV	9,729	-	(1,229)	-	8,500	-	(1,229)	7,271
RC Supporting People	36,845	109,515	(109,515)	(36,845)	-	122,620	(123,911)	(1,291)
CC Supporting People	20,565	92,987	(92,987)	(20,565)	-	120,114	(107,204)	12,910
Community Volunteer	-	9,537	(9,537)	-	-	13,352	(7,045)	6,307
The National Lottery Fund	-	-	-	-	-	29,708	(29,233)	475
RC Children's Play Area	-	-	-	-	-	22,152	-	22,152
Other COVID 19 Grants	-	-	-	-	-	23,597	(18,346)	5,251
	73,849	247,394	(248,623)	(64,120)	8,500	367,389	(322,814)	53,075

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19	Restricted funds	(Continued)
	Children in Need This project provides accommodation to parents and children of vulnerable families facing homelessness. It also supports children and young people to increase their level of social integration, improve their well-being and develop pride.	
	Big Lottery CCTV Funding for the provision of CCTV at Catherine Court.	
	Supporting People - Rothesay Court Funding for the provision of Accommodation and Support at Rothesay Court.	
	Supporting People - Catherine Court Funding for the provision of Accommodation and Support at Catherine Court.	
	Community Volunteer Funding for a community volunteer coordinator.	
	The National Lottery Fund This is a fund to improve digital communication access and skills of residents and has been used to purchase computer and IT equipment.	
	RC Children's play area Funding for the development of a children's play area, supported by the Denise Coates Foundation, B&Q, Synthetic Solution, Co-Op and Barrett Homes.	
	Other COVID 19 Grants Funding received for loss of fundraising income and for additional costs incurred during the pandemic.	

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£	£	£	£
Emergency fund	2,118	4,038	(4,876)	1,280	22,485	(13,051)	10,714
Furniture renewals	-	35,964	-	35,964	10,500	-	46,464
	<u>2,118</u>	<u>40,002</u>	<u>(4,876)</u>	<u>37,244</u>	<u>32,985</u>	<u>(13,051)</u>	<u>57,178</u>

Emergency Fund

A hardship fund for residents.

Furniture renewals

A fund for the cyclical renewal of furniture in resident accommodation.

21 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	22,984	7,272	30,256	30,433	8,500	38,933
Investments	79,863	-	79,863	81,667	-	81,667
Current assets/ (liabilities)	141,552	45,803	238,533	179,991	-	179,991
	<u>244,399</u>	<u>53,075</u>	<u>348,652</u>	<u>292,091</u>	<u>8,500</u>	<u>300,591</u>

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	3,835	4,219
Between two and five years	4,309	6,224
	<u>8,144</u>	<u>10,443</u>

THE STOKE-ON-TRENT AND DISTRICT GINGERBREAD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Related party transactions

Other than remuneration to key management personnel there were no disclosable related party transactions during the year (2020 - none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	142,493	139,293

In addition to the above remuneration, an amount of £38,880 was paid for services provided by an interim Chief Executive.

24 Cash generated from operations

	2021 £	2020 £
Surplus for the year	48,060	4,862
Adjustments for:		
Investment income recognised in statement of financial activities	(3,906)	(2,108)
Fair value gains and losses on investments	1,804	3,333
Depreciation and impairment of tangible fixed assets	12,758	9,158
Movements in working capital:		
(Increase) in debtors	(206)	(11,633)
(Decrease)/increase in creditors	(11,067)	5,064
Increase in deferred income	17,618	35,543
Cash generated from operations	65,061	44,219

25 Analysis of changes in net funds

The charity had no debt during the year.