

Charity Registration No. 1090261

Company Registration No. 03055620 (England and Wales)

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Hart K Hawkridge-Smith J T McLoughlin M J McNichol
Chief Executive Officer	E Foxton
Charity number	1090261
Company number	03055620
Registered office	1 Kilburn Drive Seaview Industrial Estate Horden County Durham SR8 4TQ
Independent examiner	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham TS22 5TB

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 11 May 1995 and registered as a charity on 25 January 2002. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Articles were updated in 2014 to more accurately reflect the modern activity undertaken by the Charity. Under these revised Articles the Board comprises four trustees and the geographical area of scope is extended. The objectives of the Charity are to promote any charitable purpose for the benefit of the East Durham community and in particular for the advancement of education and the furtherance of health and the relief of poverty, illness, distress and sickness.

The directors of the charitable company are its trustees for the purpose of charity law, and throughout the report are collectively referred to as the trustees.

Recruitment and appointment of trustees

Under the requirements of the company's Memorandum and Articles of Association one third of the trustees are required to retire by rotation at each Annual General Meeting.

New trustees are elected at the Annual General Meeting as other trustees stand down. Once elected trustees are given appropriate roles and have one vote each which will contribute to the decision making process.

Trustee induction and training

Trustees undergo an induction period which includes specific training relevant to financial regulations and other responsibilities and accountabilities. Current trustees have attended a formal training programme which will be continually updated. Trustees are kept abreast of current developments by means of Charities Commission bulletins.

Trustees and directors

The following people served during the period:

K. Hawkridge-Smith (company director)
M. McNichol (company director)
J.T. McLoughlin (company director)
B. Hart (Chair, company director)

EAST DURHAM PARTNERSHIP LIMITED
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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Organisational structure

The organisational structure has contracted and now consists of a Chief Executive Officer and a small team of staff with delegated responsibility, each of whom is in charge of a specific area of activity. The team meet regularly and report back to the trustees who retain ultimate authority for making decisions. The financial manager oversees financial transactions in conjunction with the Chief Executive Officer. The board of trustees retains paid consultants who support and advise the board on an ongoing basis with regard to financial audit, Human resources and health and safety. The board can elect to co-opt advisers as and when appropriate to inform the decision making process.

Risk management

The trustees have reviewed the major risks to which the charity is exposed and systems have been established to mitigate those risks. The Charity has been re-accredited with the Matrix Quality standard demonstrating the high level of importance placed on the provision of quality programmes by the trustees and the management of associated risks. External risks to funding have resulted in a strategic plan which allows for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed both internally and externally to ensure that they still meet the needs of the charity. Financial controls are monitored regularly and further new controls have been introduced since the end of the period.

Related parties

Mr JT McLoughlin, Trustee, is an employee of the company's bankers Lloyds TSB.

Transactions with related parties are disclosed in the notes to the financial statements.

Objectives and activities

The objectives of the company are to promote within the UK any charitable purpose and in particular the advancement of education and the furtherance of health and the relief of poverty, distress and sickness.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the company's aims and objectives and in planning the company's future activities. The trustees consider how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

The company endeavours to achieve its aims for the public benefit by maximising its projects which support third and public sector agencies to provide household goods for disadvantaged residents and undertaking Local community projects (typically those supporting people with mental health issues/loneliness, isolation and dementia). The warehouse facility provides employment for 10 staff who would otherwise be unemployed and also offers goods for sale to members of the public who are mostly on low incomes. The warehouse projects offer work experience for the disadvantaged members of the community.

EAST DURHAM PARTNERSHIP LIMITED
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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

2019/20 was a year of further consolidation which necessitated a redundancy exercise closely followed by the significant challenge of the Covid-19 pandemic. All operations followed a Covid risk aversion strategy which involved as a priority the health and safety of staff and clients whilst attempts were made to ensure the sustainability of the Charity. Government support in terms of the Job Retention Scheme and the local restrictions and small business rates grants enabled the charity to maintain its charitable objectives and provision albeit with fewer staff. Demand for "essential services" increased dramatically with the Charity being requested to support public sector support initiatives as well as collaborate to increase levels of emergency support provided through our existing partners.

The necessity to close the premises from March 2020 until June 2020 as a result of government social distancing guidance resulted in loss of income from sales and cessation of fundraising opportunities from Community initiatives. During April to June the Charity operated with the majority of staff on furlough or working from home with only a skeleton staff maintaining the premises which reopened in July 2020 with some staff returning to work. From July 2020 a grant from the National Lottery fund covered the majority of non-furloughed staff wages. Losses were therefore mainly incurred through operational costs but despite this increased emergency services continued to be provided.

Essential household goods provision currently remains steady whilst all community projects with the exception of food packages for those in hardship have ceased.

Financial review

Results

Incoming resources increased by 1% from £657,980 in 2019 to £664,352 in 2020. This was mainly due to funding relating to Covid-19, with a reduction from £657,980 to £574,000 when excluding Covid-19 support.

Overall funds decreased by £33,160 in the year compared with a decrease in funds of £100,174 in the previous year.

The company retained key staff during the year. The maintenance of its furniture staff presence at its property in Horden, Peterlee is considered fundamental to the operations of the Charity and its public image.

The level of unrestricted reserves of £356,055 and the level of cash held at bank of £216,237 at 31 July 2020 are deemed to be sufficient to allow the charity to continue to operate for a period of at least the next 12 months from the date of signing this report.

Principal funding sources

The main source of income derives from furniture contracts and the sale of furniture and white goods, with the addition of small grants and donations.

Investment policy

The trustees consider that any excess cash funds should be placed on bank deposit. This policy will be reviewed by the management committee should excess funds become significant. An amount of £103,019 was held in an interest-bearing account with Lloyds TSB at the balance sheet date.

The Trustees has assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Reserves policy

The trustees have established a policy whereby unrestricted reserves are maintained at a level sufficient to meet management and administration costs for the foreseeable future. The strict control of unrestricted cash flows and income from the delivery of charitable projects has enabled the charitable company to achieve this aim at the balance sheet date. However, in view of uncertainties facing the charitable sector in the current economic climate, the reported level of reserves may not be maintained in future periods. The trustees have decided that the organisation must aim to retain sufficient reserves to fulfil its financial commitments should income generated from the company's core activities cease. The commitments would include six months operational and salaries costs for existing members of staff. At the balance sheet date, this equates to approx. £130,000 which is more than covered by cash at bank. The level of reserves are monitored on a weekly basis by the financial manager in an attempt to maintain the desired level of reserves.

The trustees have agreed to continue with current initiatives such as supporting individuals to access DCC and Greggs Hardship grants and low cost loan support from NEFCU. Local disadvantaged residents will continue to be offered work placements and free advice and guidance. Given the company's long standing presence and reputation for reliability, the Trustees consider that it is essential that the facility is kept open and fully stocked as far as is possible notwithstanding post pandemic implications.

Although the financial future is uncertain at this point, we are confident we have sufficient resources and plans in place including additional contracted work resulting from collaborations established during the pandemic.

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



B Hart

Trustee

Dated: 21/4/21

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2020

The Trustees, who are also the directors of East Durham Partnership Limited 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 charitable company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' DECLARATION ON UN-AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

In relation to the financial statements which comprise, the Balance Sheet, the Statement of Cash Flows and the related notes:

- The Trustees approve these financial statements and confirm that they are responsible for them, including selecting the appropriate accounting policies, applying them consistently and making, on a reasonable and prudent basis, the judgments underlying them. They have been prepared on the going concern basis on the grounds that the charitable company will continue in operation.
- The Trustees confirm that they have made available to Azets Audit Services, all the charitable company's accounting records and provided all the information necessary for the compilation of the financial statements.
- The Trustees confirm that to the best of their knowledge and belief, the accounting records reflect all transactions of the charitable company for the year ended 31 July 2020.

On behalf of the board



B Hart

Director

21/4/21

**EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT**

TO THE TRUSTEES OF EAST DURHAM PARTNERSHIP LIMITED

I report to the Trustees on my examination of the financial statements of East Durham Partnership Limited (the charitable company) for the year ended 31 July 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Azets Audit Services

Azets Audit Services

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

Dated: 27 April 2021

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	18,000	5,000	23,000	-	28,610	28,610
Charitable activities	4	550,282	-	550,282	627,987	-	627,987
Investments	5	511	-	511	1,365	-	1,365
Other income	6	90,559	-	90,559	18	-	18
Total income		659,352	5,000	664,352	629,370	28,610	657,980
<u>Expenditure on:</u>							
Charitable activities	7	667,683	29,829	697,512	722,719	35,435	758,154
Net expenditure for the year/ Net movement in funds		(8,331)	(24,829)	(33,160)	(93,349)	(6,825)	(100,174)
Fund balances at 1 August 2019		364,386	520,993	885,379	457,735	527,818	985,553
Fund balances at 31 July 2020		356,055	496,164	852,219	364,386	520,993	885,379

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.

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		562,289		575,994
Current assets					
Stocks	11	46,568		62,336	
Debtors	12	42,084		34,753	
Cash at bank and in hand		216,237		226,906	
		<u>304,889</u>		<u>323,995</u>	
Creditors: amounts falling due within one year	13	(14,959)		(14,610)	
Net current assets			289,930		309,385
Total assets less current liabilities			<u>852,219</u>		<u>885,379</u>
Income funds					
Restricted funds	14	496,164		520,993	
Unrestricted funds		356,055		364,386	
		<u>852,219</u>		<u>885,379</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 July 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 21/4/21



B Hart
Trustee

Company Registration No. 03055620

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	17		(185)		(105,125)
Investing activities					
Purchase of tangible fixed assets		(10,995)		-	
Proceeds on disposal of tangible fixed assets		-		125	
Investment income received		511		1,365	
Net cash (used in)/generated from investing activities			(10,484)		1,490
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(10,669)		(103,635)
Cash and cash equivalents at beginning of year			226,906		330,541
Cash and cash equivalents at end of year			216,237		226,906

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Charity information

East Durham Partnership Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Kilburn Drive, Seaview Industrial Estate, Horden, County Durham, SR8 4TQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, 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 charitable company is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company 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.

The Covid 19 pandemic has had an impact on every business, due to the nature of the charitable company the effects have so far been limited.

1.3 Charitable funds

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

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Income

Income is recognised when the charitable company 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.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company 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.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants, including capital grants, are recognised when the charitable company becomes unconditionally entitled to the grant.

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Income from sales of stock is recognised at the date of sale. Donated goods for resale are recognised in the period in which they are sold. A stock of donated goods for resale is also held, but not recognised on the balance sheet, on the basis that valuation of the donated goods is not possible at the time of receipt.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Costs of generating funds comprise the costs associated with the provision of management and educational services and operation of the furniture, recycling and other activities.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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:

Freehold land and buildings	2% per annum straight line (4% improvements)
Fixtures and fittings	25% per annum reducing balance
Computers	40% per annum reducing balance
Motor vehicles	25% per annum reducing balance

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 Impairment of fixed assets

At each reporting end date, the charitable company 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).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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.

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 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 charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2020 £	2020 £	2020 £	2019 £
County Durham Community Foundation (CDCF)	-	500	500	5,000
Durham County Council	-	-	-	3,000
Cree	-	4,500	4,500	-
Hospital of God	1,000	-	1,000	-
Sir James Knott	15,000	-	15,000	-
Hadrian	2,000	-	2,000	-
People's Postcode Trust	-	-	-	20,000
Peterlee Town Council	-	-	-	610
	<u>18,000</u>	<u>5,000</u>	<u>23,000</u>	<u>28,610</u>

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

4 Charitable activities

	Furniture 2020 £	Furniture 2019 £
Furniture and White Goods Sales	537,291	605,825
Rental Income and room hire	400	846
Loneliness and Isolation Project	-	10,674
Cafe Sales	4,079	8,298
Sales of fabrics etc	-	2,344
Fundraising/Bric a Brac	8,512	-
	<u>550,282</u>	<u>627,987</u>

Principal funding sources	Category	Furniture 2020 £	Furniture 2019 £
Sales to individuals	Furniture and sales of fabrics	65,949	146,319
Greggs voucher scheme	Furniture	134,100	101,700
Enterprise Durham Partnership Limited	Furniture	51,638	159,263
Durham County Council	Furniture	159,379	94,167
Hartlepool Borough Council	Furniture	92,503	29,406
Holistic Temporary Accommodation and Support Service	Furniture	22,804	67,937
		<u>526,373</u>	<u>598,792</u>
Other		23,909	29,195
		<u>550,282</u>	<u>627,987</u>

5 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	<u>511</u>	<u>1,365</u>

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

6 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	-	18
JRS claims	12,675	-
National Lottery Covid 19 support	47,884	-
Small Business grant	25,000	-
County Durham Community Foundation (CDCF)	5,000	-
	<u>90,559</u>	<u>18</u>

**EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

7 Charitable activities

	Furniture, cave and education 2020 £	Mental Governance Health 2020 £	2020 £	Total 2020 £	Furniture, Governance cave and education 2019 £	2019 £	Total 2019 £
Direct costs							
Staff costs	131,747	3,500	-	135,247	153,527	-	153,527
Depreciation	20,995	-	-	20,995	21,486	-	21,486
Grants to partners	-	-	-	-	100	-	100
Furniture, white goods and fabrics	320,440	-	-	320,440	375,513	-	375,513
Work wear and consumables	-	-	-	-	807	-	807
Training and accreditation	-	-	-	-	1,457	-	1,457
Equipment hire	3,120	-	-	3,120	3,120	-	3,120
Rent	(698)	-	-	(698)	6,619	-	6,619
Other running costs	8,837	-	-	8,837	16,809	-	16,809
Motor and travelling expenses	21,688	-	-	21,688	23,711	-	23,711
	<u>506,129</u>	<u>3,500</u>	<u>-</u>	<u>509,629</u>	<u>603,149</u>	<u>-</u>	<u>603,149</u>

**EAST DURHAM PARTNERSHIP LIMITED
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FOR THE YEAR ENDED 31 JULY 2020**

7 Charitable activities

	(Continued)					
	Furniture, cave and education	Mental Governance Health	2020		Total	Total
	2020	2020	2020	2020	2020	2020
	£	£	£	£	£	£
Support costs						
Staff costs	114,129	-	6,007		120,136	99,714
Premises costs	24,102	-	-		24,102	18,003
Advertising	-	-	-		-	660
Depreciation	3,705	-	-		3,705	5,056
Bank charges	810	-	-		810	1,757
Professional fees	6,140	-	-		6,140	3,138
Insurance	13,767	-	910		14,677	9,829
Communications, computer and printing	9,327	-	-		9,327	5,780
Accountancy	-	-	8,089		8,089	3,680
Sundry expenditure	897	-	-		897	7,388
	<u>172,877</u>	<u>-</u>	<u>15,006</u>		<u>187,883</u>	<u>155,005</u>
	<u>679,006</u>	<u>3,500</u>	<u>15,006</u>		<u>697,512</u>	<u>758,154</u>
Analysis by fund						
Unrestricted funds	652,677	-	15,006		667,683	722,719
Restricted funds	26,329	3,500	-		29,829	35,435
	<u>679,006</u>	<u>3,500</u>	<u>15,006</u>		<u>697,512</u>	<u>758,154</u>

EAST DURHAM PARTNERSHIP LIMITED
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8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

9 Employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Project work and activities for generating funds	9	10
Administration and support	4	4
Total	<u>13</u>	<u>14</u>

Employment costs	2020	2019
	£	£
Wages and salaries	217,913	211,632
Social security costs	9,678	10,846
Other pension costs	27,792	36,783
	<u>255,383</u>	<u>259,261</u>

During the year there were three redundancies totalling £40,327 (2019: nil) which are included in the figures above.

The number of employees whose annual remuneration was £60,000 or more were:

	2020	2019
	Number	Number
£60,000 - £69,999	<u>1</u>	<u>-</u>

Included within the remuneration over £60,000 is a redundancy payment of £35,887.

EAST DURHAM PARTNERSHIP LIMITED
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FOR THE YEAR ENDED 31 JULY 2020

10 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2019	738,250	50,215	60,154	46,965	895,584
Additions	-	-	-	10,995	10,995
At 31 July 2020	738,250	50,215	60,154	57,960	906,579
Depreciation and impairment					
At 1 August 2019	190,272	45,648	56,674	26,996	319,590
Depreciation charged in the year	16,030	1,141	1,392	6,137	24,700
At 31 July 2020	206,302	46,789	58,066	33,133	344,290
Carrying amount					
At 31 July 2020	531,948	3,426	2,088	24,827	562,289
At 31 July 2019	547,978	4,567	3,480	19,969	575,994

11 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	46,568	62,336

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	38,413	33,975
Other debtors	1,120	-
Prepayments and accrued income	2,551	778
	42,084	34,753

13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	7,866	8,768
Trade creditors	83	1,462
Other creditors	812	575
Accruals and deferred income	6,198	3,805
	14,959	14,610

**EAST DURHAM PARTNERSHIP LIMITED
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FOR THE YEAR ENDED 31 JULY 2020**

14 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:

	Movement in funds			Movement in funds			Balance at
	Incoming resources	Resources expended	Balance at 1 August 2019	Incoming resources	Resources expended	Balance at 31 July 2020	£
	£	£	£	£	£	£	£
Restricted funds							
Building and recycling initiative	-	(13,941)	508,985	-	(13,821)	495,164	
Durham County Council - CREE project	3,000	(3,000)	-	4,500	(3,500)	1,000	
County Durham Community Foundation - Community Clubs	-	-	-	500	(500)	-	
County Durham Community Foundation - Haven Project	5,000	(2,083)	2,917	-	(2,917)	-	
People's Postcode Trust - Work Experience Project	20,000	(10,909)	9,091	-	(9,091)	-	
Peterlee Town Council	610	(610)	-	-	-	-	
County Durham Community Foundation - Cafe Project	1,544	(1,544)	-	-	-	-	
County Durham Community Foundation - Pallet Project	3,348	(3,348)	-	-	-	-	
	28,610	(35,435)	520,993	5,000	(29,829)	496,164	
Unrestricted funds							
	629,352	(722,701)	364,386	659,352	(667,683)	356,055	
Total funds	657,962	(758,136)	885,379	664,352	(697,512)	852,219	

**EAST DURHAM PARTNERSHIP LIMITED
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14 Funds	(Continued)
Building and reuse initiative	
<p>The company purchased its premises during 2006 as a base for its furniture reuse operation, management and support function. The building was extended in 2008/9. Funding relating to the building was received from The Coalfields Regeneration Trust, Northern Rock Foundation and Easington District Council.</p> <p>The company is restricted to using the building for its charitable objectives and activities to generate funds, and it does not benefit from any appreciation in the value of the property. In the event of a sale, it is probable that the sale proceeds would revert to the grant providers, unless the company acquired alternative premises to continue with its activities.</p>	
Durham County Council – CREE Project	
Our CREE project funds activities for clients with emotional health issues. Funds were spent on PPE and supervision.	
County Durham Community Foundation (CDCF)	
The CDCF grants were received to fund a number of internal projects including a Café project and a pallet project. All of the funds with a balance at the year end were fully spent after the year end and supporting completion reports have been sent to the funding provider.	
The Haven project was a £5,000 grant from CDCF (County Durham Community Foundation) to support delivery of the charity's Afternoon Clubs for the lonely and isolated residents of the Murton area of East Durham.	
The People Postcode Trust – Work Experience Project	
The Peoples Postcode Trust grant of £20,000 was received in January 2019 and was allocated monthly over 11 months February -December 2019. The project involved provision of work experience and employability support for 20 local unemployed clients and concluded on December 31st 2019. Funds were spent on a project supervisor and resources.	
Peterlee Town Council – Support of activities	
The amount received from PTC (Peterlee Town Council) of £610 was received in May 2019 and was a donation from the local Peterlee Councillors grant allocation to support the activities of the Afternoon Club held in Peterlee every Tuesday and the Haven Café held at EDP every Wednesday. The funds were spent on staff salaries and resources from May 2019 to July 2019 and the final evaluation report was submitted in October 2019 after the six months grant period concluded.	

EAST DURHAM PARTNERSHIP LIMITED
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FOR THE YEAR ENDED 31 JULY 2020

15 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 July 2020 are represented by:						
Tangible assets	67,125	495,164	562,289	53,068	522,926	575,994
Current assets/ (liabilities)	288,930	1,000	289,930	304,493	4,892	309,385
	<u>356,055</u>	<u>496,164</u>	<u>852,219</u>	<u>357,561</u>	<u>527,818</u>	<u>885,379</u>

16 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>65,518</u>	<u>52,062</u>

Included within the above figure is a redundancy payment of £35,887 (2019: nil).

17 Cash generated from operations

	2020 £	2019 £
Deficit for the year	(33,160)	(100,174)
Adjustments for:		
Investment income recognised in statement of financial activities	(511)	(1,365)
Gain on disposal of tangible fixed assets	-	(18)
Depreciation and impairment of tangible fixed assets	24,700	26,541
Movements in working capital:		
Decrease/(increase) in stocks	15,768	(31,252)
(Increase)/decrease in debtors	(7,331)	4,714
Increase/(decrease) in creditors	349	(3,571)
Cash absorbed by operations	<u>(185)</u>	<u>(105,125)</u>