

Charity registration number 1090261

Company registration number 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 2022
PAGES FOR FILING WITH REGISTRAR

EAST DURHAM PARTNERSHIP LIMITED

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs B Hart K Hawkrige-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 United Kingdom SR8 4TQ
Independent examiner	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard United Kingdom 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 2022

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 2022.

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

Organisational structure

The organisational structure has contracted and now consists of a part time 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.

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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.

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 how the company's future activities will contribute to the aims and objectives they have set. Trustees to be aim deliberately flexible in their approach to planning and adopt a strategy of adaptation to change in order to be able to direct available staff and resources towards delivery of activities and projects matched to ever changing local needs. The East Durham Community comprise many super output areas where the need exists for action which addresses chronic poverty and hardship. Consequently during 21-22 the Charity has prioritised provision of essential household items and services in collaboration with statutory agencies as a priority, supplemented by provision of a food bank for disadvantaged residents. Staff have significant experience in delivery of such projects and many live and work in disadvantaged areas themselves.

Additionally in 2021-22 The Trustees have planned to re-start a menu of activities locally typically those supporting people with mental health issues/loneliness, isolation and dementia including not least the many elderly people still unsure of the lasting implications of the Covid pandemic.

The company has endeavoured to achieve its aims for the public benefit by maximising its projects which support third and public sector agencies where the ability to react quickly to new temporary funding is only possible through collaboration. High volume collaborative contract work delivered in particular with DCC and Greggs Foundation has resulted in dual benefit to both disadvantaged residents and to the Charity itself by sustaining employment for 10 staff who would otherwise be unemployed and also offering goods for sale to members of the public who are mostly on low incomes. The volume of activity in this area of work increased substantially due to delivery of sub contracted work funded through local authority household support grants. The warehouse projects also offer work experience for the disadvantaged members of the community.

Trustees have regard to CCNI guidance on public benefit and regularly review the Charity's aims and objectives to reflect this.

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.

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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.

2021-22 was a year of further change following the relaxation Covid -19 restrictions. Plans were implemented to slowly re-introduce contact activities

A financial review had involved the redundancy of one staff member whilst a continuation grant from the Sir James Knott Foundation helped to fund essential service provision.

Succession planning and up skilling of senior members of staff in preparation for the planned retirement of the current CEO has been ongoing.

Financial review

Results

Incoming resources increased by 2.9% from £753,693 in 2021 to £775,631 in 2022.

Overall funds decreased by £59,310 in the year from £810,178 to £750,868 compared with a decrease in funds of £42,041 in the previous year from £852,219 to £810,178. Included within this are restricted funds totalling £470,022 (2021: £483,383).

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 £280,846 and the level of cash held at bank of £152,865 at 31 July 2022 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 £53,133 was held in an interest-bearing account with Lloyds 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 2022

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.

Plans for future periods

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.

Short term planning involves continuation of current projects alongside ongoing modernisation of the premises to meet changing demands (to include leasing of specific unused areas in order to increase income) and developing a succession strategy in view of the potential retirement of staff and Trustees.

The Future direction of the Charity is to continue strengthening EDPs establishment in terms of staff and Trustees by becoming more self- reliant whilst simultaneously maximising benefit resulting from collaborative project.

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

Mrs B Hart

Trustee

Dated: 20 January 2023

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2022

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees 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 UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

In relation to the financial statements which comprise the statement of financial activities, 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 2022.

On behalf of the board

Mrs B Hart
Director

20 January 2023

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 2022.

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

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB
United Kingdom

Dated: 25 January 2023

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	2	15,000	5,000	20,000	33,500	9,000	42,500
Charitable activities	3	755,595	-	755,595	692,151	-	692,151
Investments	4	36	-	36	59	-	59
Other income	5	-	-	-	18,983	-	18,983
Total income		770,631	5,000	775,631	744,693	9,000	753,693
<u>Expenditure on:</u>							
Charitable activities	6	816,620	18,321	834,941	773,913	21,821	795,734
Net expenditure for the year/ Net movement in funds		(45,989)	(13,321)	(59,310)	(29,220)	(12,821)	(42,041)
Fund balances at 1 August 2021		326,835	483,343	810,178	356,055	496,164	852,219
Fund balances at 31 July 2022		280,846	470,022	750,868	326,835	483,343	810,178

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		528,030		553,692
Current assets					
Stocks	10	41,739		46,946	
Debtors	11	47,092		49,180	
Cash at bank and in hand		152,865		195,070	
		<u>241,696</u>		<u>291,196</u>	
Creditors: amounts falling due within one year	12	<u>(18,858)</u>		<u>(34,710)</u>	
Net current assets			222,838		256,486
Total assets less current liabilities			<u>750,868</u>		<u>810,178</u>
Income funds					
Restricted funds	13	470,022		483,343	
Unrestricted funds		280,846		326,835	
		<u>750,868</u>		<u>810,178</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 2022.

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

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 and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20 January 2023

Mrs B Hart
Trustee

Company registration number 03055620

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	16		(42,241)		(4,936)
Investing activities					
Purchase of tangible fixed assets		-		(19,590)	
Proceeds on disposal of tangible fixed assets		-		3,300	
Investment income received		36		59	
Net cash generated from/(used in) investing activities			36		(16,231)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(42,205)		(21,167)
Cash and cash equivalents at beginning of year			195,070		216,237
Cash and cash equivalents at end of year			152,865		195,070

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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, United Kingdom.

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 2022

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 once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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 the statement of financial activities.

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).

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

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.

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.

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

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.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
County Durham Community Foundation (CDCF)	-	-	-	-	5,000	5,000
Durham County Council	-	-	-	18,500	-	18,500
Cree	-	3,000	3,000	-	4,000	4,000
Sir James Knott	15,000	-	15,000	15,000	-	15,000
Cree Plus 1	-	1,000	1,000	-	-	-
Cree Plus 2	-	1,000	1,000	-	-	-
	<u>15,000</u>	<u>5,000</u>	<u>20,000</u>	<u>33,500</u>	<u>9,000</u>	<u>42,500</u>

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

3 Charitable activities

	Furniture 2022 £	Furniture 2021 £
Furniture and White Goods Sales	745,896	685,693
Rental Income and room hire	7,210	5,896
Cafe Sales	139	-
Sales of fabrics etc	1,539	241
Fundraising/Bric a Brac	811	321
	<u>755,595</u>	<u>692,151</u>

Principal funding sources	Category	Furniture 2022 £	Furniture 2021 £
Sales to individuals	Furniture and sales of fabrics	53,119	31,781
Greggs voucher scheme	Furniture	206,236	207,849
Enterprise Durham Partnership Limited	Furniture	62,662	113,749
Durham County Council	Furniture	255,801	144,300
Hartlepool Borough Council	Furniture	93,366	128,985
Holistic Temporary Accommodation and Support Service	Furniture	9,315	21,632
Citizens Advice Bureau	Furniture	36,232	20,415
		<u>716,731</u>	<u>668,711</u>
Other		<u>38,864</u>	<u>23,440</u>
		<u>755,595</u>	<u>692,151</u>

4 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	<u>36</u>	<u>59</u>

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

5 Other income

	Total	Unrestricted funds
	2022	2021
	£	£
Net gain on disposal of tangible fixed assets	-	717
JRS claims	-	18,266
	<u>-</u>	<u>18,266</u>
	<u>-</u>	<u>18,983</u>

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

6 Charitable activities

	Furniture, cafe and education	Mental Governance Health		Total	Furniture, cafe and education	Mental Governance Health		Total
	2022	2022	2022	2022	2021	2021	2021	2021
	£	£	£	£	£	£	£	£
Direct costs								
Staff costs	59,062	4,500	-	63,562	64,248	2,000	-	66,248
Depreciation	23,566	-	-	23,566	22,810	-	-	22,810
Furniture, white goods and fabrics	505,333	-	-	505,333	468,448	-	-	468,448
Equipment hire	3,120	-	-	3,120	3,022	-	-	3,022
Other running costs	12,029	-	-	12,029	9,722	-	-	9,722
Motor and travelling expenses	18,497	-	-	18,497	18,784	-	-	18,784
	<u>621,607</u>	<u>4,500</u>	<u>-</u>	<u>626,107</u>	<u>587,034</u>	<u>2,000</u>	<u>-</u>	<u>589,034</u>
Support costs								
Staff costs	133,971	-	6,795	140,766	135,018	-	6,751	141,769
Premises costs	33,451	-	-	33,451	28,236	-	-	28,236
Depreciation	2,096	-	-	2,096	2,794	-	-	2,794
Bank charges	1,179	-	-	1,179	511	-	-	511
Professional fees	200	-	-	200	1,610	-	-	1,610
Insurance	16,595	-	191	16,786	15,314	-	937	16,251
Communications, computer and printing	5,932	-	-	5,932	5,826	-	-	5,826
Accountancy	-	-	6,911	6,911	-	-	7,673	7,673
Sundry expenditure	1,513	-	-	1,513	2,030	-	-	2,030
	<u>194,937</u>	<u>-</u>	<u>13,897</u>	<u>208,834</u>	<u>191,339</u>	<u>-</u>	<u>15,361</u>	<u>206,700</u>
	<u>816,544</u>	<u>4,500</u>	<u>13,897</u>	<u>834,941</u>	<u>778,373</u>	<u>2,000</u>	<u>15,361</u>	<u>795,734</u>

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

6 Charitable activities

(Continued)

Analysis by fund

Unrestricted funds	802,723	-	13,897	816,620	758,552	-	15,361	773,913
Restricted funds	13,821	4,500	-	18,321	19,821	2,000	-	21,821
	<u>816,544</u>	<u>4,500</u>	<u>13,897</u>	<u>834,941</u>	<u>778,373</u>	<u>2,000</u>	<u>15,361</u>	<u>795,734</u>

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

7 Trustees

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

8 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Project work and activities for generating funds	8	8
Administration and support	3	4
	<hr/>	<hr/>
Total	11	12
	<hr/>	<hr/>

Employment costs

	2022	2021
	£	£
Wages and salaries	180,045	182,312
Social security costs	9,528	9,151
Other pension costs	14,754	16,554
	<hr/>	<hr/>
	204,327	208,017
	<hr/>	<hr/>

During the year there were no redundancies (2021: £1,002).

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

9 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2021	738,250	51,015	60,154	67,450	916,869
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2022	738,250	51,015	60,154	67,450	916,869
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment					
At 1 August 2021	222,333	47,678	58,901	34,265	363,177
Depreciation charged in the year	16,031	834	501	8,296	25,662
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2022	238,364	48,512	59,402	42,561	388,839
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount					
At 31 July 2022	499,886	2,503	752	24,889	528,030
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2021	515,917	3,337	1,253	33,185	553,692
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

10 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	41,739	46,946
	<u> </u>	<u> </u>

11 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	46,436	48,561
Prepayments and accrued income	656	619
	<u> </u>	<u> </u>
	<u>47,092</u>	<u>49,180</u>

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	9,777	11,114
Trade creditors	-	14,233
Other creditors	562	490
Accruals and deferred income	8,519	8,873
	<u> </u>	<u> </u>
	<u>18,858</u>	<u>34,710</u>

EAST DURHAM PARTNERSHIP LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

13 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 1 August 2021	Incoming resources £	Resources expended £	Balance at 1 August 2021	Incoming resources £	Resources expended £	Balance at 31 July 2022
Restricted funds							
Building and recycling initiative	495,164	-	(13,821)	481,343	-	(13,821)	467,522
Durham County Council - CREE project	1,000	4,000	(3,000)	2,000	3,000	(3,500)	1,500
County Durham Community Foundation - Covid19 Sustainability Fund	-	5,000	(5,000)	-	-	-	-
CREE Plus 1	-	-	-	-	1,000	(1,000)	-
CREE Plus 2	-	-	-	-	1,000	-	1,000
	<u>496,164</u>	<u>4,000</u>	<u>(21,821)</u>	<u>483,343</u>	<u>5,000</u>	<u>(18,321)</u>	<u>470,022</u>
Unrestricted funds	<u>356,055</u>	<u>744,693</u>	<u>(773,913)</u>	<u>326,835</u>	<u>770,631</u>	<u>(816,620)</u>	<u>280,846</u>
Total funds	<u>852,219</u>	<u>748,693</u>	<u>(795,734)</u>	<u>810,178</u>	<u>775,631</u>	<u>(834,941)</u>	<u>750,868</u>

EAST DURHAM PARTNERSHIP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

13 Funds

(Continued)

Building and reuse initiative

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.

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.

Durham County Council – CREE Project

Our CREE project funds activities for clients with emotional health issues. Funds were spent on PPE and supervision. The CREE Plus grant was spent on employing a part time member of staff for one day a week.

County Durham Community Foundation (CDCF)

The Covid19 Sustainability Fund was a £5,000 grant from CDCF to support delivery of PPE for client and staff, running costs and equipment accessories for home working purposes.

EAST DURHAM PARTNERSHIP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

14 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 July 2022 are represented by:						
Tangible assets	60,508	467,522	528,030	72,349	481,343	553,692
Current assets/(liabilities)	220,338	2,500	222,838	254,486	2,000	256,486
	<u>280,846</u>	<u>470,022</u>	<u>750,868</u>	<u>326,835</u>	<u>483,343</u>	<u>810,178</u>

15 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>29,687</u>	<u>31,599</u>

16 Cash generated from operations

	2022 £	2021 £
Deficit for the year	(59,310)	(42,041)
Adjustments for:		
Investment income recognised in statement of financial activities	(36)	(59)
Gain on disposal of tangible fixed assets	-	(717)
Depreciation and impairment of tangible fixed assets	25,662	25,604
Movements in working capital:		
Decrease/(increase) in stocks	5,207	(378)
Decrease/(increase) in debtors	2,088	(7,096)
(Decrease)/increase in creditors	(15,852)	19,751
Cash absorbed by operations	<u>(42,241)</u>	<u>(4,936)</u>