HANDCRAFTED PROJECTS

England & Wales · Charity number 1146188

Details

Other names	HANDCRAFTED
Status	Registered
Legal form	Charitable company
Company number	07884740
Registered	2012-03-01
Register	View on the Charity Commission register

Contact

Address	Unit 21 Skillion Business Centre Littleburn Industrial Estate Langley Moor Durham DH7 8HG
Phone	01913781562
Email	info@handcrafted.org.uk
Website	www.handcrafted.org.uk

Activities

Objects: (1)TO PROMOTE SOCIAL INCLUSION FOR THE PUBLIC BENEFIT BY PREVENTING PEOPLE FROM BECOMING SOCIALLY EXCLUDED, RELIEVING THE NEEDS OF THOSE PEOPLE WHO ARE SOCIALLY EXCLUDED AND ASSISTING THEM TO INTEGRATE INTO SOCIETY. FOR THE PURPOSE OF THIS CLAUSE “SOCIALLY EXCLUDED” MEANS BEING EXCLUDED FROM SOCIETY, OR PARTS OF SOCIETY, AS A RESULT ON ONE OF THE FOLLOWING FACTORS: UNEMPLOYED; FINANCIAL HARDSHIP; OLD AGE; SUBSTANCE ABUSE OR DEPENDENCY INCLUDING ALCOHOL AND DRUGS AND POOR EDUCATION OR SKILLS ATTAINMENT.(2) THE RELIEF OF UNEMPLOYMENT FOR THE BENEFIT OF THE PUBLIC IN SUCH WAYS AS MAY BE THOUGHT FIT, INCLUDING ASSISTANCE TO FIND EMPLOYMENT. (3) THE RELIEF OF FINANCIAL HARDSHIP BY PROVIDING PEOPLE WITH GOODS AND SERVICES WHICH THEY COULD NOT OTHERWISE AFFORD THROUGH LACK OF MEANS. (4) THE ADVANCEMENT OF THE CHRISTIAN FAITH FOR THE BENEFIT OF THE PUBLIC.

Activities: Our training in woodwork, catering and house renovation is tailored to enable each and every individual to achieve their goals.We help disadvantaged people find their ideal job or start their own

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enterprises.We bring people excluded from society into a creative community.We also serve people in need in the North East by providing supported accommodation and affordable goods and services.

Classification

- **How:** Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Durham
- Gateshead
- Newcastle Upon Tyne City
- South Tyneside

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,254,841	£2,260,501	£291,396	36
2023-12-31	£1,507,418	£1,545,903	£297,056	31
2022-12-31	£1,200,674	£1,039,095	£335,541	24
2021-12-31	£834,038	£798,958	£173,962	20
2020-12-31	£712,293	£579,328	£138,882	11

Trustees

Name	Role	Appointed
Dr PAUL MORLEY		2012-01-04
Eileen Brady		2019-01-14
Emily Carter		2025-05-23
Karen Bianchi		2022-03-01
NORMAN URWIN		2012-01-04
Professor Charlotte Laura Clarke		2026-03-10
Professor Thomas Bolton Ward		2025-05-23

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HANDCRAFTED PROJECTS

England & Wales - Charity number 1146188

Accounts

HANDCRAFTED PROJECTS

COMPANY NO. 07884740
CHARITY NO. 1146188

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 2024 TO 31ST DECEMBER 2024

MADE WITH PURPOSE

HANDCRAFTED

Financial Statements 1st January - 31st December 2024

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A HOPE
+ A FUTURE

HANDCRAFTED

Financial Statements 1st January - 31st December 2024

TRUSTEES' & DIRECTORS' ANNUAL REPORT

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present this combined report with the financial statements of the charity for the year ended 31st December 2024. The trustees have adopted the provisions of 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 1st January 2019).

THE TRUSTEES

The Trustees who served the company during the period 1 January 2024 to 31 December 2024 and up to the date of signature of the financial statements were:

Paul Morley
Norman Urwin
Richard Alty (resigned 15/11/2024)
Mark Buttanshaw
Eileen Brady
Karen Bianchi
Febrina Robinson
Emily Carter (appointed 23/05/2025)
Thomas Ward (appointed 23/05/2025)

REFERENCE AND ADMINISTRATIVE DETAILS

Name of the company:	Handcrafted Projects
Company registration number:	07884740
Charity number:	1146188
Registered office:	Unit 21, Littleburn Industrial Estate, Langley Moor, Durham, DH7 8HG
Auditors:	Senior Statutory Auditor – Lesley Stabler BA FCCA Sumer Auditco Limited, Finchale House Belmont Business Park, Durham DH1 1TW

STRUCTURE, GOVERNANCE AND MANAGEMENT

Handcrafted Projects is a company limited by guarantee with company registration number 07884740. It is governed by its Memorandum and Articles of Association dated 16 December 2011. It was registered as a charity with the Charity Commission on 1 March 2012 with charity number 1146188. The subscribers to the Company's Memorandum of Association were the first members of the Charity. Membership is open to other individuals or organisations who apply to the charity in the form required by the Trustees and who are approved by the Trustees.

TRUSTEE APPOINTMENT, INDUCTION AND TRAINING

Handcrafted recognises the importance of a diverse, skilled and experienced Board. The Trustees proactively seek out potential new Members who have the required strengths and background, who may be appointed at any ordinary meeting. New trustees may be elected after attending a Board meeting as an observer.

New trustees undergo an induction to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the strategic plan and recent developments of the charity. They will attend Handcrafted activities, to meet beneficiaries and key employees .

ORGANISATION AND DAY-TO-DAY MANAGEMENT

The Trustees consider the board of Trustees, and the senior management team comprise the key management personnel. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustee' expenses and related party transactions are disclosed in notes 7 and 17 to the accounts. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. The Trustees will also seek to benchmark against other similar roles in the charity sector.

A Chief Executive, Operations Director and Deputy Director of Operations are appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, strategic planning, and safeguarding.

As of 31st December , the senior management consist of:
Chief Executive - Daniel Northover
Operations Director - John Hinton
Deputy Director of Operations - Harry Jennings

RISK MANAGEMENT

Major risks are reviewed at quarterly board meetings and four steering groups have been established to review the systems and procedures to manage these risks on a more regular basis. These steering groups include trustees, staff members and external specialists who have the relevant expertise. These steering groups cover the key strategic risks and opportunities in the respective areas of:

- Finance,
- Safeguarding,
- Mission & Values,
- HR & Wellbeing.

External specialists who provided professional advice in 2024 are:

- Almond Tree Strategic Consulting Ltd - 1 Friar Street, Reading, RG1 1DA
- Withwards Business Leadership - 30 Bolton Close, Durham, DH1 5PH
- Gazella Limited - Fig Offices, Southgate House, Southgate Street, Gloucester, GL1 1UD

OBJECTIVES AND PURPOSE

CHARITABLE OBJECTIVES

- To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society. For the purpose of this clause "socially excluded" means being excluded from society, or parts of society, as a result on one of the following factors: unemployed; financial hardship; old age; substance abuse or dependency including alcohol and drugs and poor education or skills attainment.
- The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.
- The relief of financial hardship by providing people with goods and services which they could not otherwise afford through lack of means.
- The advancement of the Christian faith for the benefit of the public.

PUBLIC BENEFIT

All our charitable activities are undertaken to further our charitable purposes for the public benefit. The Trustees have had regard to the Charity Commission's guidance on public benefit throughout the period when deciding on the activities of the charity.

VALUES

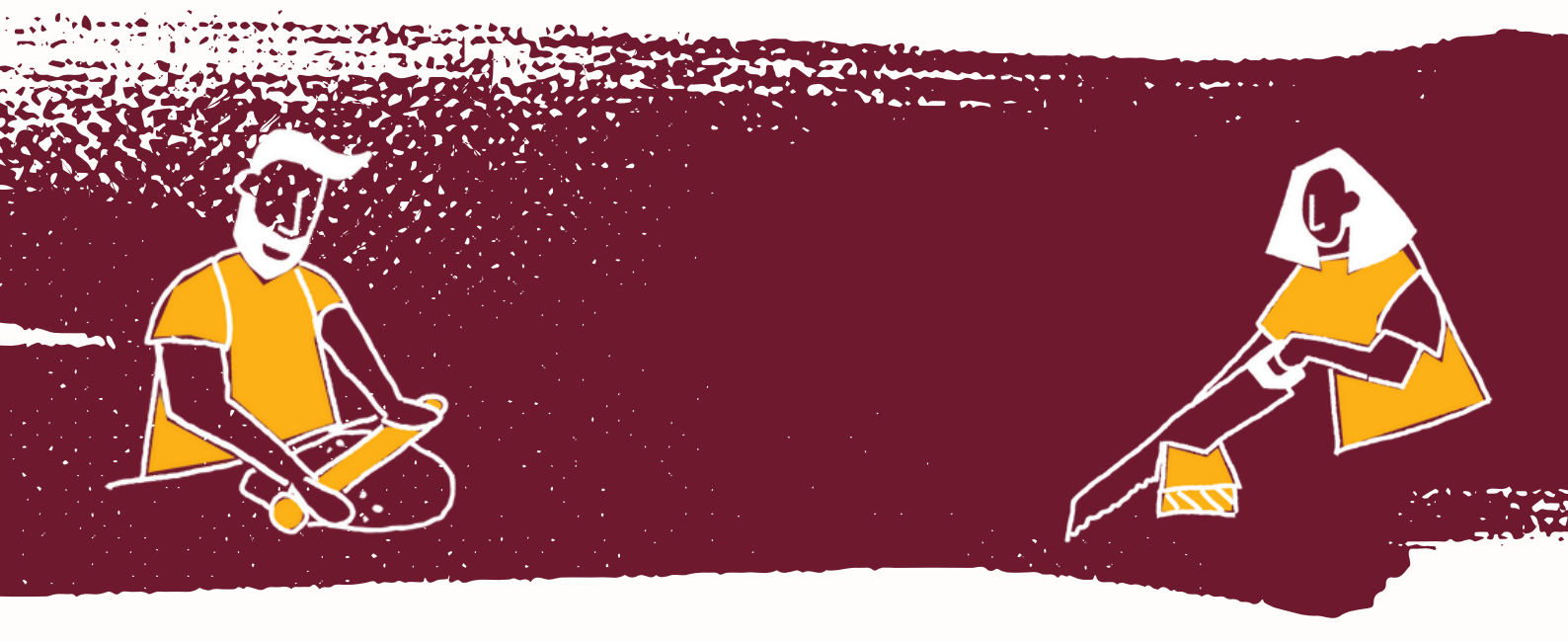
The following values have been identified as essential to the way the Handcrafted works. We seek to demonstrate these in every aspect of the way that we work with beneficiaries, with our colleagues, with partner organisations, and with members of the public:

EMPOWERMENT - Everyone can learn to take back control of their lives

COMMUNITY - We accept people just as they are, and we support each other

EMPATHY - We will walk through challenges together, shoulder to shoulder

CREATIVITY - Everyone can make something to be proud of



HANDCRAFTED

Financial Statements 1st January - 31st December 2024

TRUSTEES' ANNUAL REPORT

OUR STATEMENT OF PURPOSE

Handcrafted's mission is to connect with the most socially excluded people in society, to offer them the support, housing, training, and opportunities so that they might be empowered to turn their own lives around.

In 2024, we engaged with 706 disadvantaged people and offered them a welcoming community, person-centred support and opportunities to grow.

We've continued growing our capacity to support the most vunerable, in particular growing our support provision for young asylum-seekers, care leavers and women with experience of domestic abuse. However, demand is still high and the sector is stretch. We received a record 420 referrals in 2024.

ACTIVITIES & OUTPUTS

We provide opportunities for our trainees to realise their own potential by offering sustainable tenancies in supported housing; practical and creative skills training in a positive community context; person-centred holistic support; signposting and opportunities to progress, including work experience, supported employment placements & accredited training courses.

This year we grew our reach with our Sunderland Hub offering woodwork sessions, women's groups and more supported housing. We developed new opportunities by offering supported employment placements in our social enterprises focussing on barista skills, catering and clothing design & printing.

HOUSING

In 2024, we housed 136 people in a safe, high-quality home, alongside support work to help them sustain their tenancy. We increased our portfolio to 75 homes through over £336,500 of social investment and private investors.

TRAINING

An average of 63 attended our twice-daily cookery, woodwork, craft and enterprise training activities each day across our 5 hubs.

SUPPORT

Our team provide person-centred support based on the strengths people already have, to empower them to find their own solutions to improve their wellbeing. They made 7,409 support visits in 2024.

OPPORTUNITY

As trainees build more stability into their lives, we help them overcome barriers and provide advocacy and signposting. 6 started six-month supported employment placements in our community cafe in Gateshead and clothing printing enterprise in Chester-le-Street.

ACHIEVEMENTS AND PERFORMANCE

Some trainees unlock changes within weeks of first engaging with us. Others take months or years to find stability. We want lasting transformation for our trainees, so progress and stability are equally valued. We measure impact by tracking each interaction with trainees on our tailor-made database:

LIVING SPACE

Having a safe and suitable place to live. In 2024, 76 of our tenants successfully maintained their tenancy for over 6 months - many for the first time!

SELF-CONFIDENCE

Having confidence in abilities and potential. 133 training courses in cooking, maths skills, woodwork, craft and hospitality completed by our trainees. 46 progressed into or maintained volunteering/employment opportunities.

USE OF TIME

Having a meaningful use of time. 63 people attended our practical sessions on average each day in 2024, breaking the destructive cycle of chaotic lifestyles. 96% agreed that Handcrafted has helped them find meaningful things to do each day - not just in our sessions!

POSITIVE SOCIAL NETWORKS

A positive community in which encouraging and meaningful friendships are formed. In 2024, 97% said they felt part of a community at Handcrafted, and 91% said they felt able to share their struggles.

COPING STRATEGIES

Having healthy coping strategies when difficulties arise. In 2024, 96% said that Handcrafted had a positive impact on their mental health. Three-quarters of our residents demonstrated a reduction in their level of support need - 42% significantly!

CASE STUDIES

ON THE ROAD TO INDEPENDENCE

Megan is a resilient young woman who has faced significant challenges, including time in prison and being turned away by other organisations due to her offending background and chaotic lifestyle. Despite this, she is focused on building a better future and is engaging well with support.

Megan has said that she is not yet ready for full independence, but with Handcrafted support, Megan is making steady progress. A safe and supportive space has helped her begin to process trauma, develop life skills, and take steps toward independence.

Megan is actively involved in Handcrafted's women's group and kitchen sessions, and is receiving one-to-one support through the Young People's Service. With encouragement, she's applied to college for the first time in years and is excited about pursuing a career in health and social care. She's working toward stable employment, rebuilding positive relationships with her family, and preparing for the day she can move into her own home.

NEW PATHWAYS TO EMPLOYMENT

We started providing paid work experience opportunities for our trainees as part of a placement in one of our hubs. Ruby came across the listing through her Young Person's Advisor after she studied art at college, but her confidence took a big knock after this which made her struggle with anxiety.

As part of her placement Ruby learnt how to use a screenprinting machine to print on textiles and developed her CV with our team. Ruby played a key part in printing our 'Made with Purpose' hoodies, 400 of which we gave to our trainees and residents. Her ambition is to find a job where she can use her creativity and she is currently working on some of her own designs, which we're selling on our new website!

"I now feel more confident in going into an art job – it has made me realise that I actually know, and can do more than I think... As someone who really suffers with anxiety, when I come here I don't feel anxious. I think it is because it is a space where I am really able to talk freely about things and that really helps me."

PLANS FOR FUTURE PERIODS

CURRENT OPPORTUNITIES

In response to local needs, we're developing multiple opportunities:

- Developing a 5-person hub team in Sunderland to work with 200 trainees a year and grow to 20 houses by the end of 2026 by working with social investors.

- Starting up our innovative new 'Hummingbird' team using £500,000 of social investment in 4 new properties, training space and staff. They will provide intensive support and housing for 16-17year olds in care in County Durham.

- Expanding our training facilities in Durham & Sunderland through £75,000 capital investment to create high-quality community and multi-use teaching spaces.

- Partnering with Open Door NE & Action Foundation to provide a new offer for supporting, housing and training Unaccompanied Asylum-Seeking Children - growing upon our successful existing work.

We completed an organisational & payband restructure in early 2025 to manage the next stage of expansion. Alongside this is a growing focus on investing in our staff through professional training, coaching and specialist support.

FUTURE PLANS

Our trustees have begun developing a new strategic plan for 2026-30, after beating the aim set out in our existing one. This will include taking & adapting our tried and tested hub model into Stockton, Darlington and Newcastle; developing a specialist provision for women with experience of domestic abuse, and expanding our Young People's provision in new areas through partnerships with other providers and local authorities.

FINANCIAL REVIEW

Incoming Resources totalled £2,254,841, operational expenditure was £2,090,150 and there was an additional £167,752 loss on disposal upon the purchase of a previously leased property. The movement in funds arising in this financial period was a net deficit of £5,660 – which left total funds held by the charity of £291,396 at 31st December 2024.

The charity has achieved a significant increase in income from Charitable Activities, with the income from rental income, support income, and social enterprise increasing by 81% from £851,149 in 2023, to £1,543,701 in 2024. Training contract income decreased slightly from £211,238 in 2023, to £190,192 in 2024. This is inline with the charities strategic aim to diversify revenue streams and decrease reliance on the subjective decisions of grantmakers. The charity also took in £511,172 from grants and donations, an increase from £445,031 in 2023.

This has enabled the charity to invest in building the staff team to 36 (from 31 in 2023) and, through remaining social investment funds from 2023 and new social investment of £336,500 in 2024, spend £940,790 developing the tangible fixed assets that are the core infrastructure of the charity. This will create increased regular income streams in 2025, primarily in housing and support provision, to put the charity on a firmer long-term financial foundation.

RESERVES POLICY

The trustees have reviewed and updated our reserves targets in light of the charity's growing activities and responsibilities. The trustees now aim to keep sufficient working reserves to allow the charity to continue operating in the event of financial pressures:

- Free cash reserve - 2 months of baseline expenditure,
- Total reserves - 4 months of baseline expenditure,

where baseline expenditure is the estimated minimum cost to continue Handcrafted's current operations. It is calculated as the sum of committed expenditure (Wages and Salaries, Social Security, Pension Contributions, Rent & Rates, Insurance and Loan Repayments), plus the following proportions of discretionary expenditure:

- 66% of housing maintenance budget,
- 33% of training & catering materials budget,
- 33% of travel & subsistence budget,
- 50% of sundry expenditure budget.

At 31st December 2024, 1 month of baseline expenditure was £174,148, cash totalled 0.7 months of baseline expenditure and total reserves totalled 1.7 months of baseline expenditure.

Over 2025-26 the charity aims to steadily grow its income streams through growing supported housing provision, developing an accredited training programme to gain new training contracts, and developing a new provision for supporting (non-asylum seeking) 16-17s in care at the invitation of Durham council. These will allow the charity to reach its financial targets during 2027.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the Directors for the purposes of company law, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 period. 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;
- 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 proper 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. The Trustees 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.

In so far as the trustees are aware:

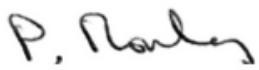
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Sumer Auditco Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 29th September 2025 and signed on its behalf by:



Paul Morley, Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HANDCRAFTED PROJECTS

OPINION

We have audited the financial statements of Handcrafted Projects (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and from our knowledge and experience of this sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Acts, Charities Acts, tax legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was a susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining any accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation claims;
- reviewing correspondence with regulators, HMRC and the company's legal advisers.

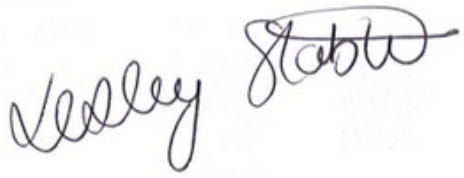
Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lesley Stabler BA FCCA (Senior Statutory Auditor)
for and on behalf of Sumer Auditco Limited
Finchale House
Belmont Business Park
Durham
DH1 1TW

Date: 29.9.25

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 JANUARY 2024 TO 31 DECEMBER 2024

	Note	2024 Unrestricted funds £	2024 Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME FROM:					
Donations and legacies	2	141,518	-	141,518	350,874
Charitable activities	3				
Housing		1,175,373	79,500	1,254,873	696,282
Training		183,538	117,542	301,080	239,837
Support		343,914	180,756	524,670	177,108
Opportunities		25,150	1,500	26,650	43,317
Gain on disposal		6,050	-	6,050	-
Total		**1,875,543**	**379,298**	**2,254,841**	**1,507,418**
EXPENDITURE ON:					
Charitable activities	4				
Housing		(1,036,592)	-	(1,036,592)	(690,923)
Training		(349,934)	(84,493)	(434,427)	(409,379)
Support		(348,310)	(168,132)	(516,442)	(349,907)
Opportunities		(103,788)	(1,500)	(105,288)	(95,694)
Loss on disposal		(167,752)	-	(167,752)	-
Total		**(2,006,376)**	**(254,125)**	**(2,260,501)**	**(1,545,903)**
Net income/(expenditure)		**(130,833)**	**125,173**	**(5,660)**	**(38,485)**
Transfers between funds		99,500	(99,500)	-	-
Net movement in Funds		**(31,333)**	**25,673**	**(5,660)**	**(38,485)**
RECONCILIATION OF FUNDS					
Total funds brought forward		255,430	41,626	297,056	335,541
Total funds carried forward		**224,097**	**67,299**	**291,396**	297,056

BALANCE SHEET

AS AT 31ST DECEMBER 2024
Company no. 07884740

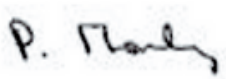
	Note	2024 £ Unrestricted funds	2024 £ Restricted funds	2024 £ Total funds	2023 £ Total funds
Fixed assets					
Tangible fixed assets	9	2,558,811	-	2,558,811	1,845,625
		2,558,811	**-**	**2,558,811**	**1,845,625**
Current assets					
Debtors	10	139,565	-	139,565	129,060
Cash at bank and in hand		56,787	67,299	124,086	513,211
		196,352	**67,299**	**263,651**	**642,271**
Creditors: Amounts falling due within one year	11	(170,411)	-	(170,411)	(76,089)
Net current assets		**25,941**	**67,299**	**93,240**	**566,182**
Total assets less current liabilities		**2,584,752**	**67,299**	**2,652,051**	**2,411,807**
Creditors: Amounts falling due after one year	12	(2,360,655)	-	(2,360,655)	(2,114,751)
Net assets		**224,097**	**67,299**	**291,396**	**297,056**
Funds					
Unrestricted funds				224,097	255,430
Restricted funds	16			67,299	41,626
Total funds				**291,396**	**297,056**

Company registration number 07884740

The notes on pages 19 to 31 form part of these financial statements.

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

These financial statements were approved by the members of the committee on 29th September 2025 and are signed on their behalf by:



Paul Morley, Chair of Trustees

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024 £	2023 £
Net income for the reporting period	(5,660)	(38,485)
Adjustments for:		
Depreciation charges	58,153	32,190
Loss/(profit) on the sale of fixed assets	161,702	-
Interest charge	165,393	53,639
Decrease/(increase) in debtors	(10,505)	(72,236)
Increase/(decrease) in creditors	24,635	41,453
Net cash provided by operating activities	**393,718**	**16,561**
Cash flows from investing activities		
Purchase of fixed assets	(940,791)	(1,474,343)
Proceeds from the sale of fixed assets	7,750	-
Net cash used in investing activities	**(933,041)**	**(1,474,343)**
Cash flows from financing activities		
Cash inflows from new borrowing	336,500	2,114,750
Interest charge	(165,393)	(53,639)
Repayments of borrowing	(20,909)	(139,978)
Net cash provided by financing activities	**150,198**	**1,921,133**
Change in cash and cash equivalents in the reporting period	(389,125)	463,351
Cash and cash equivalents at the beginning of the reporting period	513,211	49,860
Cash and cash equivalents at the end of the reporting period	**124,086**	**513,211**

ANALYSIS OF CHANGES IN NET FUNDS

	2023 £	Cash Flow £	2024 £
Net Cash			
Cash at Bank and in hand	513,211	(389,125)	124,086
Debt			
Debts falling due within 1 year	-	69,687	69,687
Debts falling due after 1 year	2,114,750	245,905	2,360,655
	2,114,750	**315,592**	**2,430,342**

NOTES TO THE FINANCIAL STATEMENTS

1.ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INCOME

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants and donations are included in full in the Statement of Financial Activities when the charity becomes entitled. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts. Assets donated are recognised in full as donations and fixed assets.
- Incoming resources from charitable trading activities are accounted for when earned.
- Grants and fees received for current year expenditure and grants for purchase of fixed assets are recognised in full in the Statement of Financial Activities in the period in which they are received, provided that the conditions for receipt have been complied with.
- Income is deferred only where the criteria for recognition as incoming resources in the Statement of Financial Activities does not exist at the balance sheet date.

EXPENDITURE

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

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's visitor centres and from the commercial trading activities of the company's subsidiary.
- Direct staff costs have been allocated to the activity categories within the Statement of Financial Activities according to the staff time spent. Other direct costs are allocated according to the activity. Support costs have been apportioned based on an average of all staff time spent that cannot be allocated specifically to one activity.
- 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.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on the basis of time spent.

FIXED ASSETS

Purchased assets with a useful economic life and initial cost exceeding £500 are capitalised. All other purchased assets are expensed. All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	- 16.67% to 33.33% straight line per annum
Leasehold Improvements	- 10% straight line per annum

Freehold property is depreciated where the building has:
i) a predictable useful economic life, and
ii) an estimated residual value below cost.
At 31st December 2023, all Freehold property had estimated residual values above cost and, hence, were depreciated at 0%.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FINANCIAL INSTRUMENTS

The 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 company's balance sheet when the 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 present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CLASSIFICATION OF FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BASIC FINANCIAL LIABILITIES

Basic financial liabilities, including creditors, bank loans and other 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 business 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.

2. DONATIONS & LEGACIES

	2024 Unrestricted £	2024 Restricted £	2024 Total funds £	2023 Total funds £
Donations – gift aided	19,478	-	19,478	38,554
Donations – not gift aided	7,836	-	7,836	12,074
Gift aid recovered	6,855	-	6,855	19,807
Grants	107,349	-	107,349	280,439
Total donations and legacies	**141,518**	**-**	**141,518**	**350,874**

3. INCOME FROM CHARITABLE ACTIVITIES

2024	Grants £	Rental Income £	Training Contracts £	Support Income £
Housing	79,500	1,175,373	-	-
Training	109,398	-	190,192	-
Support	180,756	-	-	342,423
Opportunities	-	-	-	-
Total	**369,654**	**1,175,373**	**190,192**	**342,423**

2024	Social Enterprise £	Total £
Housing	-	1,254,873
Training	-	299,590
Support	-	523,179
Opportunities	25,905	25,905
Total	**25,905**	**2,103,547**

2023	Grants £	Rental Income £	Training Contracts £	Support Income £
Housing	-	696,282	-	-
Training	28,599	-	211,238	-
Support	64,538	-	-	112,570
Opportunities	1,020	-	-	-
	-	-	-	-
Total	**94,157**	**696,282**	**211,238**	**112,570**

2023	Social Enterprise £	Total £
Housing	-	696,282
Training	-	239,837
Support	-	177,108
Opportunities	42,297	43,317
Total	**42,297**	**1,156,544**

4. COSTS OF CHARITABLE ACTIVITIES - BY ACTIVITY

2024	Direct Costs	Management/ Administration	Governance	Total Costs
	£	£	£	£
Housing	817,911	214,907	3,774	1,036,592
Training	342,780	90,065	1,582	434,427
Support	407,492	107,070	1,880	516,442
Opportunities	83,076	21,828	383	105,287
Total cost of charitable activities	**1,651,259**	**433,870**	**7,619**	**2,092,748**

2023	Direct Costs	Management/ Administration	Governance	Total Costs
	£	£	£	£
Housing	581,073	106,444	3,406	690,923
Training	344,292	63,069	2,018	409,379
Support	294,274	53,908	1,725	349,907
Opportunities	80,479	14,744	471	95,694
Total cost of charitable activities	**1,300,118**	**238,165**	**7,620**	**1,545,903**

5. COSTS OF CHARITABLE ACTIVITIES - BY NATURE

	2024 Unrestricted Funds	2024 Restricted Funds	2024 Total funds	2023 Total funds
	£	£	£	£
Wages and salaries	644,385	180,705	825,090	612,960
Social security	77,036	-	77,036	58,848
Pension Contributions	20,673	-	20,673	12,026
Rent & Rates	288,825	-	288,825	250,026
Contracted out services	173,212	-	173,212	142,217
Equipment	28,244	1,500	29,744	11,007
Materials	83,051	414	83,465	83,234
Insurance	25,506	-	25,506	32,745
Utilities	69,992	-	69,992	65,778
Travel & Subsistence	45,862	-	45,862	23,766
Furnishings	51,909	-	51,909	42,545
Printing & Stationery	1,471	-	1,471	8,312
Training	11,959	-	11,959	4,318
Depreciation	58,153	-	58,153	32,190
Sundry expenses	85,331	71,507	156,838	104,672
Interest Payable	165,393	-	165,393	53,639
Total	**1,831,002**	**254,126**	**2,085,128**	**1,538,283**

6. AUDITORS REMUNERATION

	2024	2023
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	5,940	5,940
Accountancy Services	1,680	1,680
Total	**7,620**	**7,620**

7. TRUSTEES REMUNERATION

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023

There were no trustees' expenses paid for the year ended 31 December 2024 nor for the year ended 31 December 2023

8. STAFF COSTS AND EMOLUMENTS

	2024	2023
	£	£
Wages and salaries	825,090	612,962
Social security	77,036	58,848
Pension	20,673	12,026
Total staff costs and emoluments	**922,799**	**683,836**

	2024 FTE	2024 Number	2023 FTE	2023 Number
Project workers	30.0	32	25.6	28
Administrative	3.6	4	2.2	3
Total average number of staff	**33.6**	**36**	**27.8**	**31**

No employees received emoluments in excess of £60,000
Key management personnel remuneration for the period totalled £156,904 (2023: £139,369)

9. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Equipment	Freehold Property*	Total
	£	£	£	£
Cost				
At 1 January 2024	277,147	101,096	1,583,023	1,961,266
Additions	82,397	21,426	836,968	940,791
Disposals	(235,439)	(8,500)	-	(243,939)
At 31 December 2024	**124,105**	**114,022**	**2,419,991**	**2,658,118**
Depreciation				
At 1 January 2024	53,142	62,499	-	115,641
Charge for the year	35,941	22,212	-	58,153
Disposals	(67,687)	(6,800)	-	(74,487)
At 31 December 2024	**21,396**	**77,911**	**-**	**99,307**
Net book value				
At 31 December 2024	**102,709**	**36,111**	**2,419,991**	**2,558,811**
At 31 December 2023	224,005	38,597	1,583,023	1,845,625

*Included within Freehold Property is long-term leaseholds on 6 properties and Tyneside leaseholds on 6 properties. The total NBV of these properties are £421,881 on long term leases and £429,377 on Tyneside leases.

10. DEBTORS

	2024	2023
	£	£
Gift aid recoverable	12,525	9,704
Prepayments and accrued income	3,536	34,629
Trade debtors	123,504	84,727
Total	**139,565**	**129,060**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	5,044	6,431
Accruals	72,903	44,209
Other Creditors	1,944	1,612
Concessionary Loans	69,687	-
Other taxation & social security	20,833	23,837
Total	**170,411**	**76,089**

12. LONG TERM CREDITORS

	2024	2023
	£	£
Repayable by installments		
Concessionary Loans due in 1-2 years	73,526	19,652
Concessionary Loans due in 2-5 years	227,667	68,594
Concessionary Loans due in over 5 years	59,462	26,505
Other loans due in over 5 years	2,000,000	2,000,000
Total	**2,360,655**	**2,114,751**

13. LOANS

	Due in 1 year	Due after 1 year
	£	£
Loan 1: In January 2023 Handcrafted Projects entered into an agreement with Social and Sustainable Capital LLP (SASC). This is a secured loan facility, whereby SASC have set aside up to £2m for Handcrafted to purchase eligible properties to further their charitable objectives, the facility is secured with fixed charges over the properties purchased using these monies and a floating charge in place over the balance of one bank account. Handcrafted will pay back the equivalent of 81% of the market value of all properties purchased via this facility on 22nd May 2032, or 75% of the loan amount outstanding, whichever is higher. An interest charge of 54% of the core rent collected is payable quarterly and is required to be deposited into a separate bank account. The loan is secured against the eligible properties. At the balance sheet date, a total of £2,000,000 had been drawn down on this agreement and used to purchase 22 properties & refinance a further 4 with a total net book value of £1,583,490.	-	2,000,000
Loan 2: 7.5% interest, repayable by installments over 6 years, first year interest only, unsecured.	19,652	95,098
Loan 3: 8.5% interest, repayable by installments over 6 years, first 6 months interest only, unsecured.	20,608	147,734
Loan 4: 7.5% interest, repayable by installments over 6 years, first 6 months interest only, unsecured.	6,327	44,673
Loan 5: 6.5% interest, repayable by installments over 5 years, unsecured.	23,100	73,150
Total	**69,687**	**2,360,655**

The total amount of secured liabilities as at 31st December 2024 was £2,000,000 (2023: £2,000,000)

14. LEASING ARRANGEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	278,541	136,919
Between one and five years	674,231	309,925
More than five years	1,019	51,411
Total	**953,791**	**498,255**

15. MOVEMENT IN FUNDS

2024	Incoming resources £	Outgoing resources £	Movement in funds £
Unrestricted Funds			
General Fund	1,875,543	(2,006,376)	(130,833)
	1,875,543	**(2,006,376)**	**(130,833)**
Restricted Funds			
County Durham Household Support Fund	3,359	(24,985)	(21,626)
Hadley Trust Capital Grant	-	-	-
Mid Durham AAP	16,356	(5,452)	10,904
Hadley Trust	78,897	(68,026)	10,871
Hadley Trust Capital Grant 2024	15,000	-	15,000
Jug of Oil	1,500	(1,500)	-
Key Fund Grant	34,500	-	34,500
Willan Trust	10,000	(10,000)	-
Jill & Norman Franklin Trust	38,580	(28,935)	9,645
Gateshead Community Chest	10,000	(10,000)	-
Big Issue EGC Grant	30,000	-	30,000
County Durham Household Support Fund - 2024 Round 1	33,500	(33,500)	-
Sir James Knott	10,000	(10,000)	-
Curtin PARP Fund	4,200	(1,400)	2,800
Gateshead Council - Small Projects Grant 2024	4,968	(414)	4,554
County Durham Household Support Fund - 2024 Round 2	35,000	(11,621)	23,379
Chester le Street Primary Care Network Community Investment Fund	9,858	(9,858)	-
Benefact Trust	9,500	(4,354)	5,146
Mercer's Foundation	34,080	(34,080)	-
	379,298	**(254,125)**	**125,173**
Total Funds	**2,254,841**	**(2,260,501)**	**(5,660)**

HANDCRAFTED

Financial Statements 1st January - 31st December 2024

2024	Balance at 1 Jan 2024 £	Movement in funds £	Transfers between funds £	Balance at 31 Dec 2024 £
Unrestricted Funds				
General Fund	255,430	(130,833)	99,500	224,097
	255,430	**(130,833)**	**99,500**	**224,097**
Restricted Funds				
County Durham Household Support Fund	21,626	(21,626)	-	-
Hadley Trust Capital Grant*	20,000	-	(20,000)	-
Mid Durham AAP	-	10,904	-	10,904
Hadley Trust	-	10,871	-	10,871
Hadley Trust Capital Grant 2024*	-	15,000	(15,000)	-
Jug of Oil	-	-	-	-
Key Fund Grant*	-	34,500	(34,500)	-
Willan Trust	-	-	-	-
Jill & Norman Franklin Trust	-	9,645	-	9,645
Gateshead Community Chest	-	-	-	-
Big Issue EGC Grant*	-	30,000	(30,000)	-
County Durham Household Support Fund - 2024 Rou	-	-	-	-
Sir James Knott	-	-	-	-
Curtin PARP Fund	-	2,800	-	2,800
Gateshead Council - Small Projects Grant 2024	-	4,554	-	4,554
County Durham Household Support Fund - 2024 Rou	-	23,379	-	23,379
Chester le Street Primary Care Network Community	-	-	-	-
Benefact Trust	-	5,146	-	5,146
Mercer's Foundation	-	-	-	-
	41,626	**125,173**	**(99,500)**	**67,299**
Total Funds	**297,056**	**(5,660)**	**-**	**291,396**

*Restricted fund spent on Fixed Assets and, hence, transferred to the Unrestricted Funds.

2023	Incoming resources £	Outgoing resources £	Movement in funds £
Unrestricted Funds			
General Fund	1,326,014	(1,371,161)	(45,147)
	1,326,014	**(1,371,161)**	**(45,147)**
Restricted Funds			
NHS Health Improvement Fund Grant	-	(6,433)	(6,433)
Nationwide Building Society	-	(9,781)	(9,781)
Gateshead Small Food Network Grant	5,250	(10,500)	(5,250)
Benefact Trust - Brighter Lives Grant	-	(13,500)	(13,500)
HM Prison and Probation Service	10,000	(10,000)	-
Poverty Hurts Grant	9,991	(9,991)	-
Hadley Trust Grant	74,305	(74,305)	-
Chester le Street Primary Care Network Community Investment Fund	9,858	(9,858)	-
County Durham Household Support Fund	52,000	(30,374)	21,626
Hadley Trust Capital Grant	20,000	-	20,000
	181,404	**(174,742)**	**6,662**
Total Funds	**1,507,418**	**(1,545,903)**	**(38,485)**

2023	Balance at 1 Jan 2023 £	Movement in funds £	Transfers between funds £	Balance at 31 Dec 2023 £
Unrestricted Funds				
General Fund	300,577	(45,147)	-	255,430
	300,577	**(45,147)**	**-**	**255,430**
Restricted Funds				
NHS Health Improvement Fund Grant	6,433	(6,433)	-	-
Nationwide Building Society	9,781	(9,781)	-	-
Gateshead Small Food Network Grant	5,250	(5,250)	-	-
Benefact Trust - Brighter Lives Grant	13,500	(13,500)	-	-
HM Prison and Probation Service	-	-	-	-
Poverty Hurts Grant	-	-	-	-
Hadley Trust Grant	-	-	-	-
Chester le Street Primary Care Network Community Ir	-	-	-	-
County Durham Household Support Fund	-	21,626	-	21,626
Hadley Trust Capital Grant	-	20,000	-	20,000
	34,964	**6,662**	**-**	**41,626**
Total Funds		**(38,485)**	**-**	**297,056**

16. RESTRICTED FUNDS

County Durham Household Support Fund
To provide financial and material support for 200 people severely affected by poverty, disadvantage, and isolation in County Durham.

Hadley Trust Capital Grant
Towards the purchase of the Shakespeare - the home of our Gateshead hub. This was used to purchase the Shakespeare - an unrestricted asset - and so transferred to the unrestricted fund.

Mid Durham AAP
Towards running costs of Durham Womens Woodwork session and 1/3 salary of a support worker working with vulnerable women.

Hadley Trust
To support our work with young care leavers in County Durham and Gateshead. The grant covers 50% of the salaries for key staff supporting young care leavers.

Hadley Trust Capital Grant 2024
Towards the refurbishment of a specific new property for care leavers.

Jug of Oil
Towards setting up a community cafe in Sunderland.

Key Fund Grant
Towards the purchase of two houses, as part of the Key Fund mixed loan/grant.

16. RESTRICTED FUNDS - CONTINUED

Willan Trust
Towards costs of Engage Support Worker to work with vulnerable young people.

Jill & Norman Franklin Trust
Towards salaries of 2x Durham Training Supervisors.

Gateshead Community Chest
Towards Gateshead Community Development Manager's salary.

Big Issue EGC Grant
Towards the purchase of properties as part of the Big Issue EGC Loan.

County Durham Household Support Fund - 2024 Round 1
To provide financial and material support for at risk households in County Durham.

Sir James Knott
£30,000 over 3 years towards Gateshead Community Development Manager's salary.

Curtin PARP Fund
Accredited training for 12 to achieve Level 2 Barista Skills and Level 2 Food Safety in our Gateshead hub.

Gateshead Council - Small Projects Grant 2024
To provide healthy eating sessions for care leavers.

County Durham Household Support Fund - 2024 Round 2
To provide financial and material support for at risk households in County Durham. To be spent by 31st March 2025.

Chester le Street Primary Care Network Community Investment Fund
To fund the salary of a Kitchen Training Supervisor for the Chester-le-Street hub's training kitchen.

Benefact Trust
Towards providing life skills training for young care leavers in County Durham.

Mercer's Foundation
To run a diverse community space in Gateshead, welcoming marginalised people to offer the support, training and opportunities that can help them thrive.

17. RELATED PARTY TRANSACTIONS

From 11th October 2020 the charity has a four-year lease on a one-bed property that is owned by Janet and Graham Buttanshaw, parents of Mark Buttanshaw. The property is used to provide supported accommodation to the beneficiaries of the charity. The lease is at a below market rate of £2,400 per annum, plus an annual property management fee of £1,108. This was renewed for a further 3 years on 1st March 2024 at a below market rate lease of £3,000 per annum.

From 13th April 2018 the charity has a lease on a two-bed property that is owned by Daniel and Abigail Northover. The property is used to provide supported accommodation to the beneficiaries of the charity. This lease was set at a peppercorn rate of £1 per annum. The lease was renewed on 1st April 2024 at a below market rate of £6,000 per annum and is in line with the affordable rate (80% of market rate) for similar properties in the area.

This is in accordance with the Articles of Association and advice sought from the Charity Commission.

No other trustees received any remuneration in the year or any reimbursement of expenses incurred in carrying out their duties (2023: none).

18. 2023 STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 JANUARY 2023 TO 31 DECEMBER 2023

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £
INCOME FROM:			
Donations and legacies	350,874	-	350,874
Charitable activities	-	-	-
Housing	696,282	-	696,282
Training	189,988	49,849	239,837
Support	45,553	131,555	177,108
Opportunities	43,317	-	43,317
Total	**1,326,014**	**181,404**	**1,507,418**
EXPENDITURE ON:			
Charitable activities			
Housing	(690,923)	-	(690,923)
Training	(369,749)	(39,630)	(409,379)
Support	(214,795)	(135,112)	(349,907)
Opportunities	(95,694)	-	(95,694)
Total	**(1,371,161)**	**(174,742)**	**(1,545,903)**
	-	-	-
Net income/(expenditure)	**(45,147)**	**6,662**	**(38,485)**
Transfers between funds	-	-	-
Net movement in Funds	**(45,147)**	**6,662**	**(38,485)**
RECONCILIATION OF FUNDS			
Total funds brought forward	300,577	34,964	335,541
Total funds carried forward	**255,430**	**41,626**	**297,056**

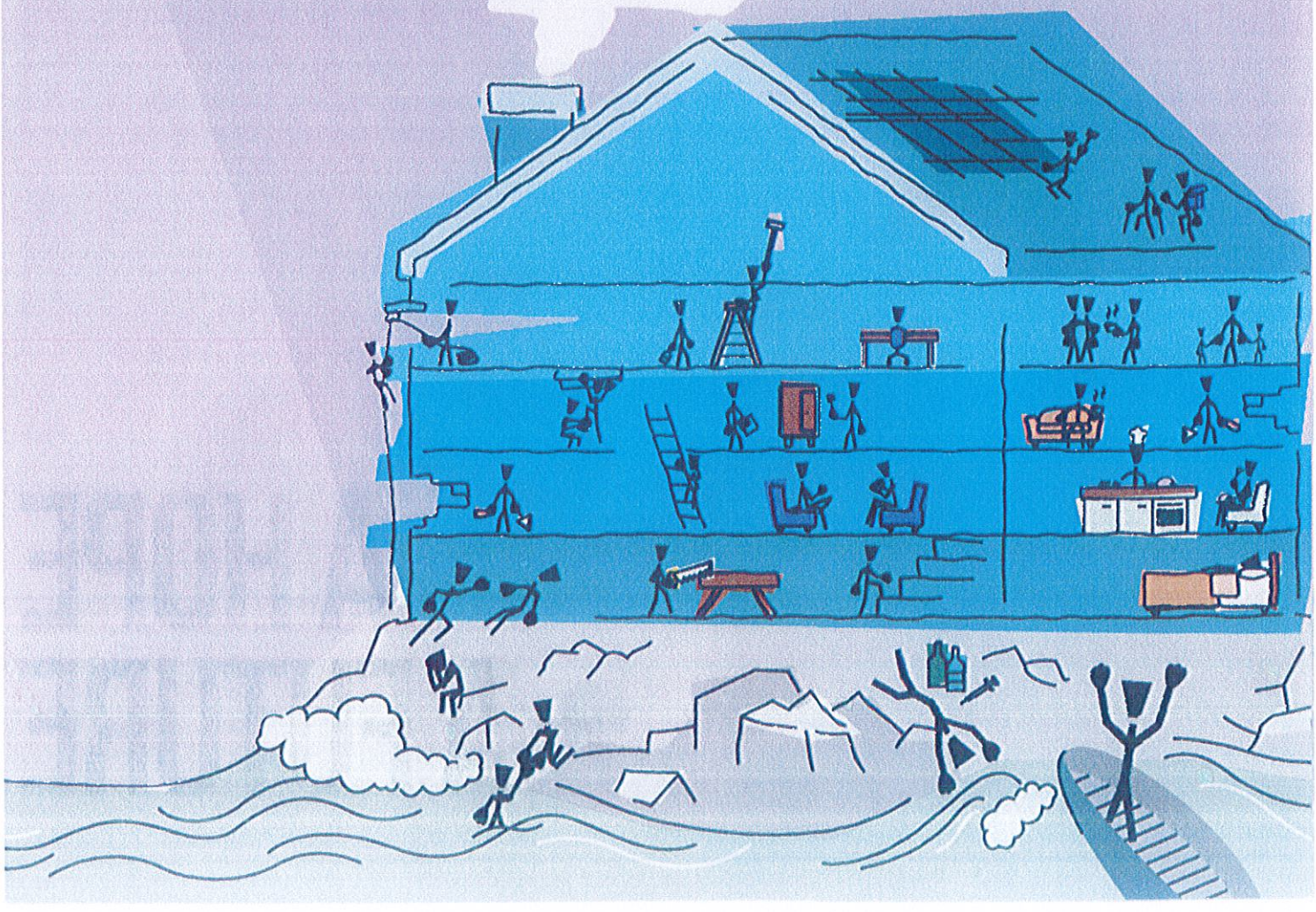
HANDCRAFTED PROJECTS

England & Wales - Charity number 1146188

Accounts

HANDCRAFTED PROJECTS
COMPANY NO. 07884740
CHARITY NO. 1146188

TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE PERIOD
1ST JANUARY 2023 TO
31ST DECEMBER 2023



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HANDCRAFTED

Financial Statements 1st January - 31st December 2023

TRUSTEES' & DIRECTORS' ANNUAL REPORT

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present this combined report with the financial statements of the charity for the year ended 31st December 2023. The trustees have adopted the provisions of 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 1st January 2019).

THE TRUSTEES

The Trustees who served the company during the period 1 January 2023 to 31 December 2023 were:

Paul Morley
Norman Urwin
Richard Alty
Mark Buttanshaw
Eileen Brady
Karen Bianchi
Febrina Robinson

There were no appointments or resignations in the above period.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of the company:	Handcrafted Projects
Company registration number:	07884740
Charity number:	1146188
Registered office:	Unit 7, Skillion Business Park, Littleburn Industrial Estate, Langley Moor, Durham, DH7 8HG
Auditors:	Senior Statutory Auditor - Lesley Stabler BA(Hons) FCCA Sumer Auditco Limited, The Beehive Building Beehive Ring Road, Crawley, Gatwick RH6 0PA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Handcrafted Projects is a company limited by guarantee with company registration number 7884740. It is governed by its Memorandum and Articles of Association dated 16 December 2011. It was registered as a charity with the Charity Commission on 1 March 2012 with charity number 1146188. The subscribers to the Company's Memorandum of Association were the first members of the Charity. Membership is open to other individuals or organisations who apply to the charity in the form required by the Directors and who are approved by the Directors.

TRUSTEE APPOINTMENT, INDUCTION AND TRAINING

Handcrafted recognises the importance of a diverse, skilled and experienced Board. The Directors proactively seek out potential new Members who have the required strengths and background, who may be appointed at any ordinary meeting. New trustees may be elected after attending a Board meeting as an observer.

New trustees undergo an induction to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the strategic plan and recent developments of the charity. They will attend Handcrafted activities, to meet beneficiaries and key employees .

ORGANISATION AND DAY-TO-DAY MANAGEMENT

The directors consider the board of directors, and the senior management team comprise the key management personnel. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 7 and 17 to the accounts. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. The directors will also seek to benchmark against other similar roles in the charity sector.

A Chief Executive, Operations Director and Deputy Director of Operations are appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment, strategic planning, and safeguarding.

As of 31st December , the senior management consist of:
Chief Executive - Daniel Northover
Operations Director - John Hinton
Deputy Director of Operations - Harry Jennings

RISK MANAGEMENT

Major risks are reviewed at quarterly board meetings and six steering groups have been established to review the systems and procedures to manage these risks on a more regular basis. These steering groups include Directors, staff members and external specialists who have the relevant expertise. These steering groups cover the key strategic risks and opportunities in the respective areas of:

- Finance,
- Safeguarding,
- Mission & Values,
- HR & Wellbeing,
- Health & Safety, and
- Regulatory Environment.

External specialists who provided professional advice in 2023 are:

- Almond Tree Strategic Consulting Ltd - 1 Friar Street, Reading, England, RG1 1DA
- Withwards Business Leadership - 30 Bolton Close, Durham, United Kingdom, DH1 5PH

OBJECTIVES AND PURPOSE

CHARITABLE OBJECTIVES

- To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society. For the purpose of this clause "socially excluded" means being excluded from society, or parts of society, as a result on one of the following factors: unemployed; financial hardship; old age; substance abuse or dependency including alcohol and drugs and poor education or skills attainment.
- The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.
- The relief of financial hardship by providing people with goods and services which they could not otherwise afford through lack of means.
- The advancement of the Christian faith for the benefit of the public.

PUBLIC BENEFIT

All our charitable activities are undertaken to further our charitable purposes for the public benefit. The Trustees have had regard to the Charity Commission's guidance on public benefit throughout the period when deciding on the activities of the charity.

VALUES

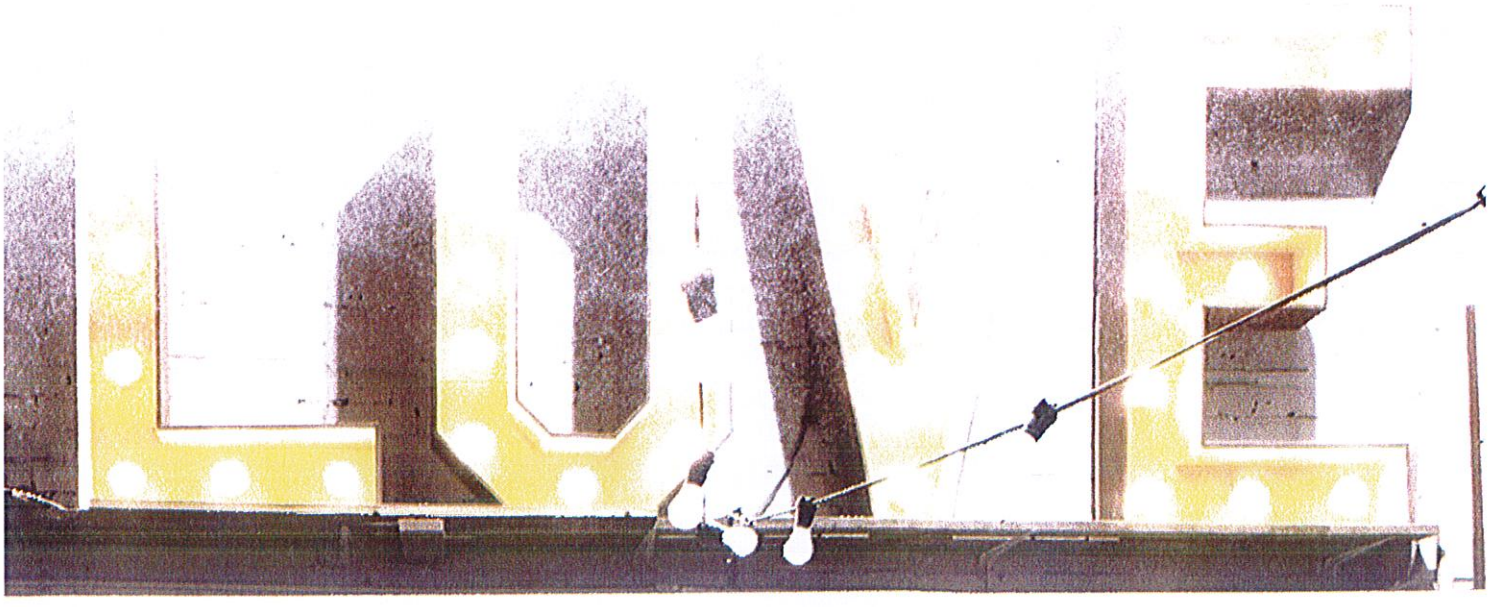
The following values have been identified as essential to the way the Handcrafted works. We seek to demonstrate these in every aspect of the way that we work with beneficiaries, with our colleagues, with partner organisations, and with members of the public:

EMPOWERMENT - Everyone can learn to take back control of their lives

COMMUNITY - We accept people just as they are, and we support each other

EMPATHY - We will walk through challenges together, shoulder to shoulder

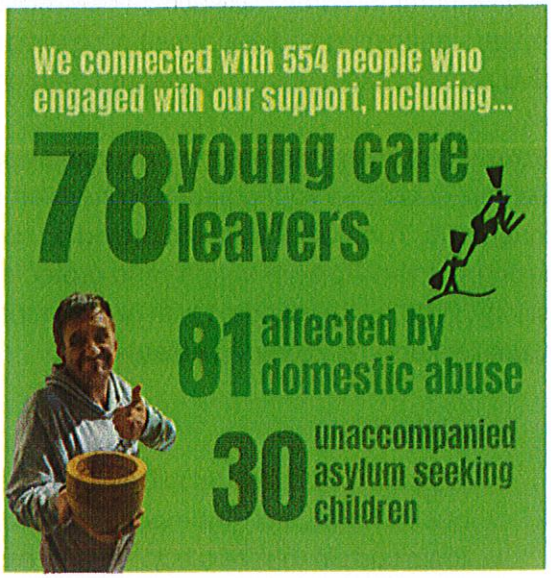
CREATIVITY - Everyone can make something to be proud of

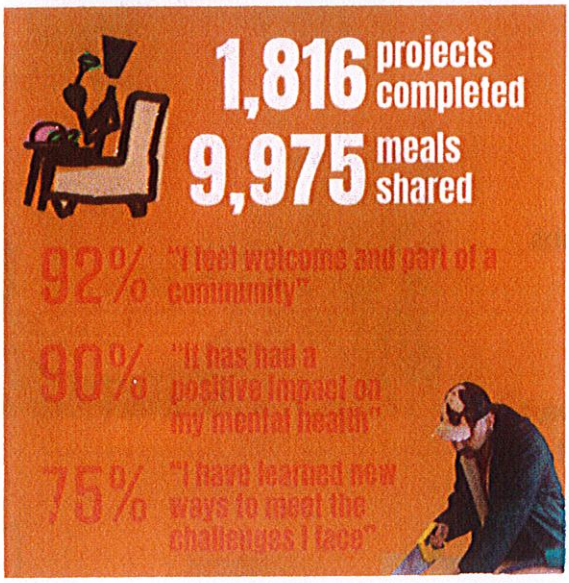


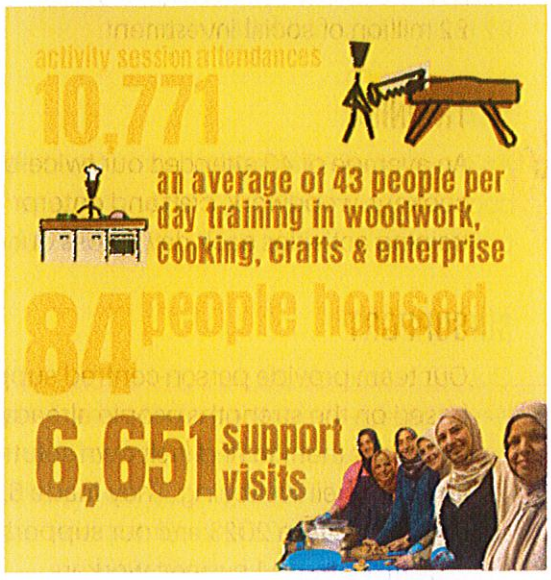
TRUSTEES' ANNUAL REPORT

OUR STATEMENT OF PURPOSE

Handcrafted's mission is to connect with the most socially excluded people in society, to offer them the support, housing, training, and opportunities so that they might be empowered to turn their own lives around.







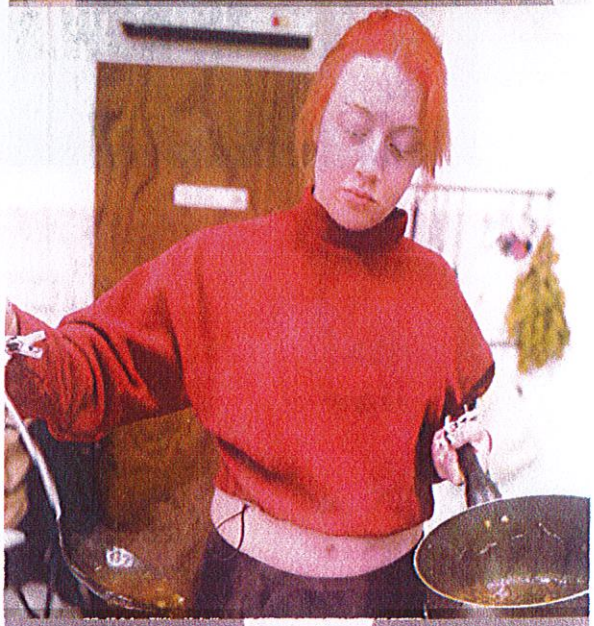
In 2023, we got alongside 554 people - welcoming them into our community and supporting them to meet the challenges they face.

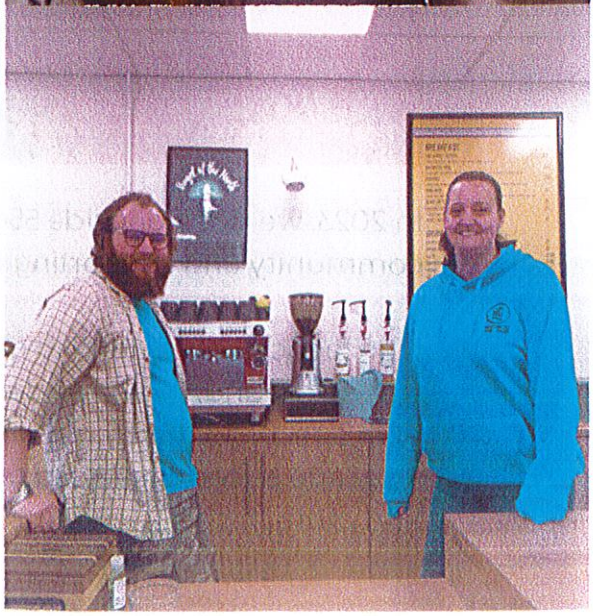
Our capacity continued to grow and we saw even more stories of lives turned around. However, demand for our holistic support has grown faster with a record 406 referrals in 2023 (26% increase). The cost of living crisis, shortage of complex need provision, overwhelmed mental health services and more have all acutely affected the most vulnerable in society.

ACTIVITIES & OUTPUTS

We provide opportunities for our trainees to realise their own potential by offering sustainable tenancies in supported housing; practical and creative skills training in a positive community context; person-centred holistic support; signposting and opportunities to progress, including work experience & accredited training courses.

We expanded each of these areas this year and began our specialist, cross-area young people's provision - the Engage Hub. This now a team of 5 providing supported housing, tailored life-skills training and protected activity sessions. In 2023, they worked with 30 unaccompanied asylum-seekers and 78 young care leavers.





HOUSING

In 2023, we housed 84 people in a safe, high-quality home, alongside support work to help them sustain their tenancy. We increased our portfolio to 62 homes, primarily through over £2 million of social investment.

TRAINING

An average of 43 attended our twice-daily cookery, woodwork, craft and enterprise training activities each day across our 4 hubs.

SUPPORT

Our team provide person-centred support based on the strengths people already have, to empower them to find their own solutions to improve their wellbeing. They made 6,651 support visits in 2023 and our support team grew from 5 to 11 support workers.

OPPORTUNITY

As trainees build more stability into their lives, we help them overcome barriers and provide advocacy and signposting. 20 gained hospitality training and work experience in our new community cafe in Gateshead.

ACHIEVEMENTS AND PERFORMANCE

Some trainees unlock changes within weeks of first engaging with us. Others take months or years to find stability. We want lasting transformation for our trainees, so progress and stability are equally valued. We measure impact by tracking each interaction with trainees on our tailor-made database:

LIVING SPACE

Having a safe and suitable place to live. In 2023, 65% of our tenants successfully maintained their tenancy for over 6 months - many for the first time!

SELF-CONFIDENCE

Having confidence in abilities and potential. 215 training courses in cooking, maths skills, woodwork, craft and hospitality completed by our trainees in 2023. 45 progressed into volunteering or employment opportunities.

USE OF TIME

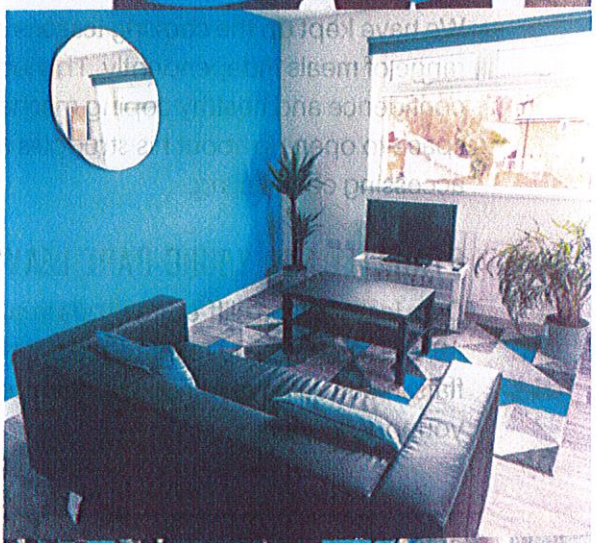
Having a meaningful use of time. 351 people regularly attended our practical sessions in 2023, breaking the destructive cycle of chaotic lifestyles. 90% agreed that Handcrafted has helped them find meaningful things to do each day - not just in our sessions!

POSITIVE SOCIAL NETWORKS

A positive community in which encouraging and meaningful friendships are formed. In 2023, 92% said they felt welcome and part of a community at Handcrafted. 731 attendances at social activities outside regular sessions.

COPING STRATEGIES

Having healthy coping strategies when difficulties arise. In 2023, 90% said that Handcrafted had a positive impact on their mental health. We supported 139 people to address their substance abuse issues and 90 ex-offenders to build stable lives.



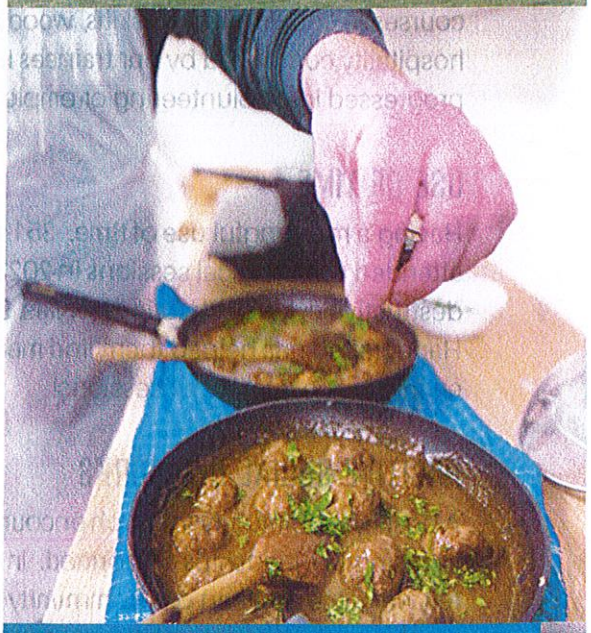
CASE STUDIES

ACROSS THE WORLD TO WELCOMING OTHERS

Abdul fled on a 5,000-mile journey, fighting to survive for 18 months at the age of just 14. Abdul's father had served in the Afghan military and lost his life to Taliban reprisals.

When he was then placed with us in County Durham, Abdul struggled to adapt - he isolated himself and fell out with his housemates. Conflict resulted in police call outs, damaged property and Abdul wanted to move into a flat with another housing provider - but by the next Monday he was evicted from there for causing substantial damage. He faced homelessness but Handcrafted believes that everyone deserves another chance, even if it costs us.

When his first new housemate was due to arrive, Abdul was anxious. He decided to make them feel welcome by preparing a meal, but we had to teach him to cook first! We have kept up the cooking lessons. He can now cook a range of meals independently. This led to growth in confidence and healthy coping mechanisms. It gave him space to open up about his struggles and he is now accessing counselling.



STABILITY FOR YOUNG CARE LEAVERS

Care leavers face cliff-edge drops in support once they turn 18, even if they require intensive support. Our self-contained flats in our Gateshead hub are designed to provide this for young care leavers.

Sam was adopted aged 1 but his relationship with his adopted parents broke down just after his 17th birthday. In one year, Sam was moved 20 times. He says, "not many housing providers could deal with my mental health", which included suicide attempts, self-harm & overdoses.

His mental health has begun to improve, and he hasn't overdosed. Sam puts this down to his flat, Handcrafted community and support worker, Neil:
"He'll go one step further than everyone else... he has had some lived experience, so understands."

Sam is starting woodwork sessions, and completed the 'Xtreme Character Challenge' with us, climbing three Scottish mountains in 72 hours.

PLANS FOR FUTURE PERIODS

CURRENT OPPORTUNITIES

There are several opportunities that we have taken to develop our work, including:

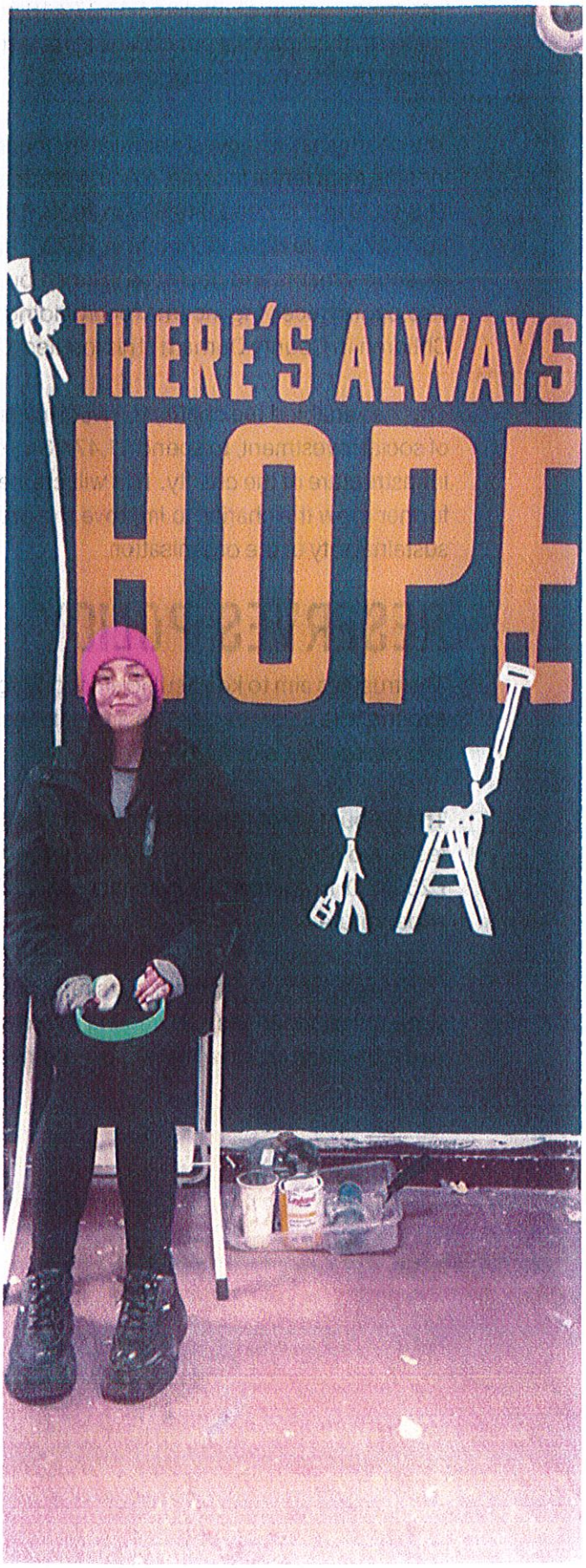
- Developing a full hub in Sunderland, alongside local partners, to work with 200 trainees a year and support 10 houses by 2025.
- Expanding our 'Engage' young people's provision to house 60 young care leavers, unaccompanied asylum-seeking children and local u18s in care with complex needs.
- Expanding training facilities in Durham, Gateshead and Chester-le-Street to engage 150 more trainees each month in creative activities and a positive community.

To deliver this we are working with consultants to develop our organisational structure & policies, building a flexible core team and securing long-term financial stability by purchasing more properties using social investment with another 6 properties already identified for 2024.

FUTURE EXPANSION

We're committed to our plan to roll out and sustain our hub model in new and existing areas, dynamically adapting our work to the opportunities and needs of the community. This approach meets a need that other people and stakeholders have recognised and are keen to take into Stockton, Darlington, Carlisle, Blackpool, and Liverpool.

By 2026, we plan to have increased to 6 regional hubs, which will run alongside an expanded young people's provision in each area. This means that we could be housing over 160 people and working with a further 1,400 through our training, support and opportunities.



FINANCIAL REVIEW

Incoming Resources totalled £1,507,418 and expenditure was £1,545,903. The movement in funds arising in this financial period was a net deficit of £38,485 - which left total funds held by the charity of £297,056 at 31st December 2023.

The charity has achieved a significant increase in income from Charitable Activities, with the income from rental income, training contract, and social enterprise increasing by 61% from £588,879 in 2022, to £949,817 in 2023. This offset lower grant income which decreased from £577,275 in 2022, to £374,596 in 2023. This is inline with the charities strategic aim to diversify revenue streams and decrease reliance on the subjective decisions of grantmakers. The charity has also begun receiving income for providing support work for Unaccompanied Asylum-Seeking Children in County Durham - this totalled £112,570 in 2023.

This has enabled the charity to invest in building the staff team to 31 and, by securing £2,145,750 of social investment, to spend £1,474,343 on developing the tangible fixed assets that are the core infrastructure of the charity. This will create increased income streams in 2024 & opportunities to further grow the charity, to improve the breadth and depth of impact and the financial sustainability of the organisation.

RESERVES POLICY

The trustees aim to keep sufficient working reserves to cover at least two months of committed expenditure including Wages and Salaries, Social Security, Pension Contributions, Rent & Rates, Insurance and Loan Repayments.

The amount of total funds held at 31st December 2023 is £297,056. Of which the amount of restricted funds is £41,626. The amount of reserves after making allowance for restricted funds is £255,430. In comparison with the reserves policy, this is equivalent to 3.1 months of committed expenditure.

The trustees have put in place a strategic plan for 2024 to develop income streams from housing, supporting under-18s and training in order to grow the level of free reserves and to sustain it at between three and five months of committed expenditure.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the Directors for the purposes of company law, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 period. 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;
- 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 proper 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. The Trustees 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Sumer Auditco Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 19 September 2024 and signed on its behalf by:

P. Morley

Paul Morley, Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HANDCRAFTED PROJECTS

OPINION

We have audited the financial statements of Handcrafted Projects (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and from our knowledge and experience of this sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Acts, Charities Acts, tax legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was a susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining any accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation claims;
- reviewing correspondence with regulators, HMRC and the company's legal advisers.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lesley Stabler

Lesley Stabler BA(Hons) FCCA (Senior Statutory Auditor)
for and on behalf of Sumer Auditco Limited
The Beehive Building
Beehive Ring Road
Crawley
Gatwick
RH6 0PA

Date: 25.9.24

HANDCRAFTED

Financial Statements 1st January - 31st December 2023

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 JANUARY 2023 TO 31 DECEMBER 2023

	Note	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME FROM:					
Donations and legacies	2	350,874	-	350,874	327,873
Charitable activities	3				
Housing		696,282	-	696,282	453,572
Training		189,988	49,849	239,837	233,217
Support		45,553	131,555	177,108	100,790
Opportunities		43,317	-	43,317	85,222
Total		**1,326,014**	**181,404**	**1,507,418**	**1,200,674**
EXPENDITURE ON:					
Charitable activities	4				
Housing		(690,923)	-	(690,923)	(423,675)
Training		(369,749)	(39,630)	(409,379)	(292,082)
Support		(214,795)	(135,112)	(349,907)	(239,518)
Opportunities		(95,694)	-	(95,694)	(83,820)
Total		**(1,371,161)**	**(174,742)**	**(1,545,903)**	**(1,039,095)**
Net income/(expenditure)		**(45,147)**	**6,662**	**(38,485)**	**161,579**
Net movement in Funds		**(45,147)**	**6,662**	**(38,485)**	**161,579**
RECONCILIATION OF FUNDS					
Total funds brought forward		300,577	34,964	335,541	173,962
Total funds carried forward		**255,430**	**41,626**	**297,056**	**335,541**

BALANCE SHEET

AS AT 31ST DECEMBER 2023

	Note	2023 £ Unrestricted funds	2023 £ Restricted funds	2023 £ Total funds	2022 £ Total funds
Fixed assets					
Tangible fixed assets	9	1,845,625	-	1,845,625	403,473
		1,845,625	-	**1,845,625**	**403,473**
Current assets					
Debtors	10	129,060	-	129,060	56,824
Cash at bank and in hand		471,585	41,626	513,211	49,860
		600,645	**41,626**	**642,271**	**106,684**
Creditors: Amounts falling due within one year	11	(76,089)	-	(76,089)	(73,638)
Net current assets		**524,556**	**41,626**	**566,182**	**33,046**
Total assets less current liabilities		**2,370,181**	**41,626**	**2,411,807**	**436,519**
Creditors: Amounts falling due after one year	12	(2,114,751)	-	(2,114,751)	(100,978)
Net assets		**255,430**	**41,626**	**297,056**	**335,541**
Funds					
Unrestricted funds				255,430	300,577
Restricted funds	16			41,626	34,964
Total funds				**297,056**	**335,541**

Company registration number 07884740

The notes on pages 19 to 31 form part of these financial statements.

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

These financial statements were approved by the members of the committee on 19 September 2024 and are signed on their behalf by:

P. Morley

Paul Morley, Chair of Trustees

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	£	£
Net income for the reporting period	(38,485)	161,579
Adjustments for:		
Depreciation charges	32,190	41,885
Interest charge	53,639	9,318
Decrease/(increase) in debtors	(72,236)	(24,600)
Increase/(decrease) in creditors	41,453	14,906
Net cash provided by operating activities	**16,561**	**203,088**
Cash flows from investing activities		
Purchase of fixed assets	(1,474,343)	(200,444)
Net cash used in investing activities	**(1,474,343)**	**(200,444)**
Cash flows from financing activities		
Cash inflows from new borrowing	2,114,750	-
Interest charge	(53,639)	(9,318)
Repayments of borrowing	(139,978)	(40,624)
Net cash provided by financing activities	**1,921,133**	**(49,942)**
Change in cash and cash equivalents in the reporting period	463,351	(47,298)
Cash and cash equivalents at the beginning of the reporting period	49,860	97,158
Cash and cash equivalents at the end of the reporting period	**513,211**	**49,860**

ANALYSIS OF CHANGES IN NET FUNDS

	2022	Cash Flow	2023
	£	£	£
Net Cash			
Cash at Bank and in hand	49,860	463,351	513,211
Debt			
Debts falling due within 1 year	39,002	(39,002)	-
Debts falling due after 1 year	100,978	2,013,772	2,114,750
	139,980	**1,974,770**	**2,114,750**

NOTES TO THE FINANCIAL STATEMENTS

1.ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INCOME

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants and donations are included in full in the Statement of Financial Activities when the charity becomes entitled. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts. Assets donated are recognised in full as donations and fixed assets.
- Incoming resources from charitable trading activities are accounted for when earned.
- Grants and fees received for current year expenditure and grants for purchase of fixed assets are recognised in full in the Statement of Financial Activities in the period in which they are received, provided that the conditions for receipt have been complied with.
- Income is deferred only where the criteria for recognition as incoming resources in the Statement of Financial Activities does not exist at the balance sheet date.

EXPENDITURE

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

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's visitor centres and from the commercial trading activities of the company's subsidiary.
- Direct staff costs have been allocated to the activity categories within the Statement of Financial Activities according to the staff time spent. Other direct costs are allocated according to the activity. Support costs have been apportioned based on an average of all staff time spent that cannot be allocated specifically to one activity.
- 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.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on the basis of time spent.

FIXED ASSETS

Purchased assets with a useful economic life and initial cost exceeding £500 are capitalised. All other purchased assets are expensed. All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	- 16.67% to 33.33% straight line per annum
Leasehold Improvements	- 10% straight line per annum

Freehold property is depreciated where the building has:
i) a predictable useful economic life, and
ii) an estimated residual value below cost.
At 31st December 2023, all Freehold property had estimated residual values above cost and, hence, were depreciated at 0%.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FINANCIAL INSTRUMENTS

The 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 company's balance sheet when the 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 present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CLASSIFICATION OF FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BASIC FINANCIAL LIABILITIES

Basic financial liabilities, including creditors, bank loans and other 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 business 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.

2. DONATIONS & LEGACIES

	2023 Unrestricted	2023 Restricted	2023 Total funds	2022 Total funds
	£	£	£	£
Donations – gift aided	38,554	-	38,554	17,638
Donations – not gift aided	12,074	-	12,074	12,473
Gift aid recovered	19,807	-	19,807	4,409
Grants	280,439	-	280,439	293,353
Total donations and legacies	**350,874**	-	**350,874**	**327,873**

3. INCOME FROM CHARITABLE ACTIVITIES

2023	Grants	Rental Income	Training Contracts	Support Income
	£	£	£	£
Housing	-	696,282	-	-
Training	28,599	-	211,238	-
Support	64,538	-	-	112,570
Opportunities	1,020	-	-	-
Total	**94,157**	**696,282**	**211,238**	**112,570**

2023	Social Enterprise	Total
	£	£
Housing	-	696,282
Training	-	239,837
Support	-	177,108
Opportunities	42,297	43,317
Total	**42,297**	**1,156,544**

2022	Grants	Rental Income	Training Contracts	Support Income
	£	£	£	£
Housing	10,675	442,897	-	-
Training	102,878	-	130,339	-
Support	100,790	-	-	-
Opportunities	69,579	-	-	-
Total	**283,922**	**442,897**	**130,339**	-

2022	Social Enterprise	Total
	£	£
Housing	-	453,572
Training	-	233,217
Support	-	100,790
Opportunities	15,643	85,222
Total	**15,643**	**872,801**

4. COSTS OF CHARITABLE ACTIVITIES - BY ACTIVITY

2023	Direct Costs	Management/ Administration	Governance	Total Costs
	£	£	£	£
Housing	581,073	106,444	3,406	690,923
Training	344,292	63,069	2,018	409,379
Support	294,274	53,908	1,725	349,907
Opportunities	80,479	14,744	471	95,694
Total cost of charitable activities	**1,300,118**	**238,165**	**7,620**	**1,545,903**

2022	Direct Costs	Management/	Governance	Total Costs
	£	£	£	£
Housing	362,582	58,206	2,887	423,675
Training	249,964	40,128	1,990	292,082
Support	204,980	32,906	1,632	239,518
Opportunities	71,733	11,516	571	83,820
Total cost of charitable activities	**889,259**	**142,756**	**7,080**	**1,039,095**

5. COSTS OF CHARITABLE ACTIVITIES - BY NATURE

	2023 Unrestricted funds	2023 Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Wages and salaries	488,582	124,378	612,960	471,944
Social security	58,848	-	58,848	28,763
Pension Contributions	12,026	-	12,026	12,850
Rent & Rates	240,026	10,000	250,026	205,804
Contracted out services	142,217	-	142,217	48,776
Equipment	11,007	-	11,007	6,697
Materials	73,243	9,991	83,234	66,236
Insurance	32,745	-	32,745	19,306
Utilities	65,778	-	65,778	51,301
Travel & Subsistence	23,766	-	23,766	14,131
Furnishings	42,545	-	42,545	10,731
Printing & Stationery	8,312	-	8,312	1,011
Training	4,318	-	4,318	2,651
Depreciation	32,190	-	32,190	41,885
Sundry expenses	74,298	30,374	104,672	40,611
Interest Payable	53,639	-	53,639	9,318
Total	**1,363,540**	**174,743**	**1,538,283**	**1,032,015**

6. AUDITORS REMUNERATION

	2023	2022
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	5,940	5,940
Accountancy Services	1,680	1,140
Total	**7,620**	**7,080**

7. TRUSTEES REMUNERATION

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022

8. STAFF COSTS AND EMOLUMENTS

	2023	2022
	£	£
Wages and salaries	612,962	471,944
Social security	58,848	28,763
Pension	12,026	12,850
Total staff costs and emoluments	**683,836**	**513,557**

	2023	2022
	Number	Number
Project workers	28	21
Administrative	3	3
Total average number of staff	**31**	**24**

No employees received emoluments in excess of £60,000
Key management personnel remuneration for the period totalled £139,369 (2022: £44,534)

9. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Equipment	Freehold Property*	Total
	£	£	£	£
Cost				
At 1 January 2023	202,346	85,045	199,533	486,924
Additions	74,802	16,051	1,383,490	1,474,343
At 31 December 2023	**277,147**	**101,096**	**1,583,023**	**1,961,267**
Depreciation				
At 1 January 2023	25,431	44,796	13,224	83,451
Charge for the year	27,711	17,703	(13,224)	32,190
At 31 December 2023	**53,142**	**62,499**	**-**	**115,641**
Net book value				
At 31 December 2023	**224,005**	**38,597**	**1,583,023**	**1,845,625**
At 31 December 2022	176,915	40,249	186,309	403,473

*Included within Freehold Property is long-term leaseholds on 4 properties and Tyneside leaseholds on 6 properties. The total NBV of these properties are £273,599 on long term leases and £424,100 on Tyneside leases.

10. DEBTORS

	2023	2022
	£	£
Gift aid recoverable	9,704	2,389
Prepayments and accrued income	34,629	31,296
Trade debtors	84,727	23,139
Total	**129,060**	**56,824**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	6,431	5,386
Accruals	44,209	9,198
Other Creditors	1,612	3,749
Concessionary Loans	-	39,002
Other taxation & social security	23,837	16,303
Total	**76,089**	**73,638**

12. LONG TERM CREDITORS

	2023	2022
	£	£
Repayable by installments		
Concessionary Loans due in 1-2 years	19,652	2,812
Concessionary Loans due in 2-5 years	68,594	8,896
Concessionary Loans due in over 5 years	26,504	89,270
Repayable otherwise than by installments		
Other loans due in over 5 years	2,000,000	-
Total	**2,114,750**	**100,978**

13. LOANS

	Due in 1 year	Due after 1 year
	£	£
Loan 1: In January 2023 Handcrafted Projects entered into an agreement with Social and Sustainable Capital LLP (SASC).		
This is a secured loan facility, whereby SASC have set aside up to £2m for Handcrafted to purchase eligible properties to further their charitable objectives, the facility is secured with fixed charges over the properties purchased using these monies and a floating charge in place over the balance of one bank account.		
Handcrafted will pay back the equivalent of 81% of the market value of all properties purchased via this facility on 22nd May 2032, or 75% of the loan amount outstanding, whichever is higher.		
An interest charge of 54% of the core rent collected is payable quarterly and is required to be deposited into a separate bank account.		
The loan is secured against the eligible properties.		
At the balance sheet date, a total of £2,000,000 had been drawn down on this agreement and used to purchase 22 properties & refinance a further 4 with a total net book value of £1,583,490.	-	2,000,000
Loan 2: 7.5% interest, repayable by installments over 6 years, first year interest only, unsecured.	-	114,750
Total	-	**2,114,750**

The total amount of secured liabilities as at 31st December 2023 was £2,000,000 (2022: 103,720)

14. LEASING ARRANGEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	136,919	146,050
Between one and five years	309,925	391,774
More than five years	51,411	78,411
Total	**498,255**	**616,235**

15. MOVEMENT IN FUNDS

2023	Incoming resources £	Outgoing resources £	Movement in funds £
Unrestricted Funds			
General Fund	1,326,014	(1,371,161)	(45,147)
	1,326,014	**(1,371,161)**	**(45,147)**
Restricted Funds			
NHS Health Improvement Fund Grant	-	(6,433)	(6,433)
Nationwide Building Society	-	(9,781)	(9,781)
Gateshead Small Food Network Grant	5,250	(10,500)	(5,250)
Benefact Trust - Brighter Lives Grant	-	(13,500)	(13,500)
HM Prison and Probation Service	10,000	(10,000)	-
Poverty Hurts Grant	9,991	(9,991)	-
Hadley Trust Grant	74,305	(74,305)	-
Chester le Street Primary Care Network Community Investment Fund	9,858	(9,858)	-
County Durham Household Support Fund	52,000	(30,374)	21,626
Hadley Trust Capital Grant	20,000	-	20,000
	181,404	**(174,742)**	**6,662**

2023	Balance at 1 Jan 2023 £	Movement in funds £	Transfers between funds £	Balance at 31 Dec 2023 £
Unrestricted Funds				
General Fund	300,577	(45,147)	-	255,430
	300,577	**(45,147)**	**-**	**255,430**
Restricted Funds				
NHS Health Improvement Fund Grant	6,433	(6,433)	-	-
Nationwide Building Society	9,781	(9,781)	-	-
Gateshead Small Food Network Grant	5,250	(5,250)	-	-
Benefact Trust - Brighter Lives Grant	13,500	(13,500)	-	-
HM Prison and Probation Service	-	-	-	-
Poverty Hurts Grant	-	-	-	-
Hadley Trust Grant	-	-	-	-
Chester le Street Primary Care Network Community Investment Fund	-	-	-	-
County Durham Household Support Fund	-	21,626	-	21,626
Hadley Trust Capital Grant	-	20,000	-	20,000
	34,964	**6,662**	**-**	**41,626**

2022	Incoming	Outgoing	Movement
	£	£	£
Unrestricted Funds			
General Fund	952,750	(890,128)	62,622
	952,750	**(890,128)**	**62,622**
Restricted Funds			
NHS Connector Grant	-	(16,565)	(16,565)
TAPS Grant	-	(4,478)	(4,478)
The Earl of Northampton's Charity	73,240	-	73,240
Nationwide Building Society	47,330	(37,549)	9,781
Social Enterprise Support Fund	30,000	(30,000)	-
Mid Durham AAP	19,533	(19,533)	-
NHS Health Improvement Fund	19,500	(13,067)	6,433
Access Reach Fund	10,675	(10,675)	-
PCC Safety Fund	7,100	(7,100)	-
Community Infrastructure Levy	6,500	-	6,500
Dickon Trust Fund	3,000	(3,000)	-
Akzo International Paint Fund	2,000	(2,000)	-
Gateshead Covid Champion	5,000	(5,000)	-
Benefact Trust	3,000	-	3,000
Deckham Local Community Fund	2,296	-	2,296
Gateshead Small Food Grant	5,250	-	5,250
Benefact Trust - Brighter Lives	13,500	-	13,500
	247,924	**(148,967)**	**98,957**

2022	Balance at 1 Jan 2022	Movement in funds	between funds	Balance at 31 Dec 2022
	£	£	£	£
Unrestricted Funds				
General Fund	152,919	62,622	85,036	300,577
	152,919	**62,622**	**85,036**	**300,577**
Restricted Funds				
NHS Connector Grant	16,565	(16,565)	-	-
TAPS Grant	4,478	(4,478)	-	-
The Earl of Northampton's Charity	-	73,240	(73,240)	-
Nationwide Building Society	-	9,781	-	9,781
Social Enterprise Support Fund	-	-	-	-
Mid Durham AAP	-	-	-	-
NHS Health Improvement Fund	-	6,433	-	6,433
Access Reach Fund	-	-	-	-
PCC Safety Fund	-	-	-	-
Community Infrastructure Levy	-	6,500	(6,500)	-
Dickon Trust Fund	-	-	-	-
Akzo International Paint Fund	-	-	-	-
Gateshead Covid Champion	-	-	-	-
Benefact Trust	-	3,000	(3,000)	-
Deckham Local Community Fund	-	2,296	(2,296)	-
Gateshead Small Food Grant	-	5,250	-	5,250
Benefact Trust - Brighter Lives	-	13,500	-	13,500
	21,043	98,957	(85,036)	34,964

16. RESTRICTED FUNDS

NHS Health Improvement Fund
To provide wrap-around, holistic support to vulnerable adults in the area through our Durham support workers who are crucial to delivering our person-centred intensive support in every element of our work.

Nationwide Building Society
The staff, and the quality equipment and material costs that we need to get the Gateshead community hub established and to really engage with people who need the most support to avoid homelessness.

Gateshead Small Food Network Grant
To support the running costs of our brand new community cafe in Deckham. Our trainees eat a hot meal every weekday in our hub in The Shakespeare, at no cost to them. As our community cafe opens, we will continue with this community activity which meets the immediate needs of our trainees to eat enough healthy food. These hot meals will be cooked by our trainee volunteers in our on-site training kitchen.

Benefact Trust - Brighter Lives Grant
Our Solution Focussed Support project works with local churches in order to provide therapeutic support and activities driven by Christian values, for individuals facing social exclusion and mental health issues.

HM Prison and Probation Service
Provide North East Probation Service with social inclusion pathway in Gateshead and Durham, providing 20 spaces for referrals from the Integrated Offender Management Unit to attand workshops in Durham and Gateshead

Poverty Hurts Grant
To support the costs of one-to-one woodwork training in our Durham hub. The grant is to cover training materials, overheads and staff.

Hadley Trust Grant
To support our work with young care leavers in County Durham and Gateshead. The grant covers 50% of the salaries for key staff supporting young care leavers.

16. RESTRICTED FUNDS - CONTINUED

Chester le Street Primary Care Network Community Investment Fund
To fund the salary of a Kitchen Training Supervisor for the Chester-le-Street hub's training kitchen.

County Durham Household Support Fund
To provide financial and material support for 200 people severely affected by poverty, disadvantage, and isolation in County Durham.

Hadley Trust Capital Grant
Towards the purchase of the Shakespeare - the home of our Gateshead hub.

17. RELATED PARTY TRANSACTIONS

From 11th October 2020 the charity has a four-year lease on a one-bed property that is owned by Janet and Graham Buttanshaw, parents of Mark Buttanshaw. The property is used to provide supported accommodation to the beneficiaries of the charity. The lease is at a below market rate of £2,400 per annum, plus an annual property management fee of £1,108.

From 13th April 2018 the charity has a lease on a two-bed property that is owned by Daniel and Abigail Northover. The property is used to provide supported accommodation to the beneficiaries of the charity. The lease is at a peppercorn rate of £1 per annum to ensure there is no financial benefit derived by Daniel Northover as CEO of the charity.

This is in accordance with the Articles of Association and advice sought from the Charity Commission.

No other trustees received any remuneration in the year or any reimbursement of expenses incurred in carrying out their duties (2022: none).

18. 2022 STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 JANUARY 2022 TO 31 DECEMBER 2022

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £
INCOME FROM:			
Donations and legacies	327,873	-	327,873
Charitable activities			
Housing	369,657	83,915	453,572
Training	174,491	58,726	233,217
Support	25,507	75,283	100,790
Opportunities	55,222	30,000	85,222
Total	**952,750**	**247,924**	**1,200,674**
EXPENDITURE ON:			
Charitable activities			
Housing	(413,000)	(10,675)	(423,675)
Training	(228,868)	(63,214)	(292,082)
Support	(194,440)	(45,078)	(239,518)
Opportunities	(53,820)	(30,000)	(83,820)
Total	**(890,128)**	**(148,967)**	**(1,039,095)**
Net income/(expenditure)	**62,622**	**98,957**	**161,579**
Transfers between funds	85,036	(85,036)	-
Net movement in Funds	**147,658**	**13,921**	**161,579**
RECONCILIATION OF FUNDS			
Total funds brought forward	152,919	21,043	173,962
Total funds carried forward	**300,577**	**34,964**	**335,541**

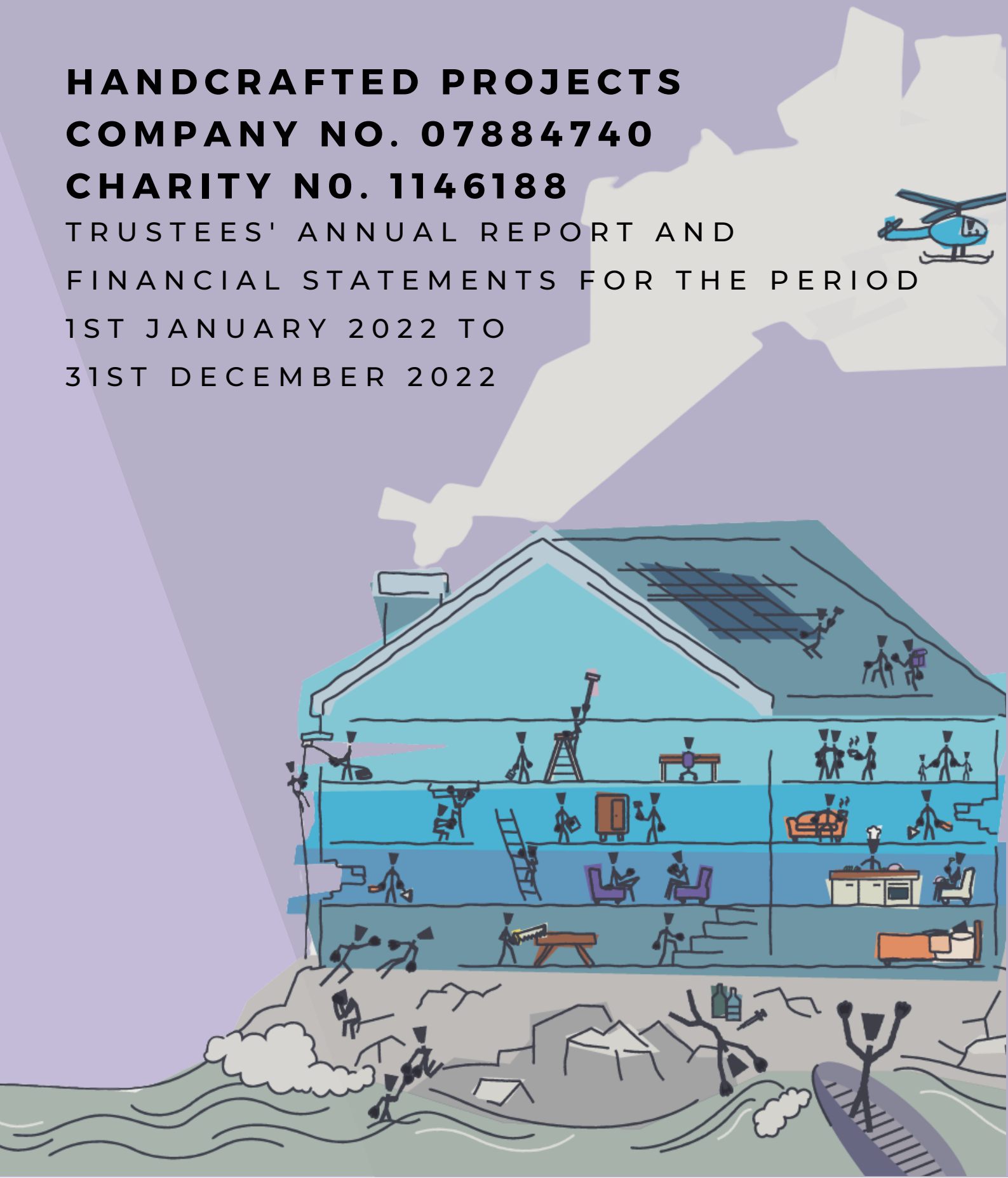
HANDCRAFTED PROJECTS

England & Wales - Charity number 1146188

Accounts

HANDCRAFTED PROJECTS
COMPANY NO. 07884740
CHARITY NO. 1146188

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 2022 TO 31ST DECEMBER 2022



HANDCRAFTED

Financial Statements 1st January - 31st December 2022

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TRUSTEES' ANNUAL REPORT

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2022. The trustees have adopted the provisions of 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 1st January 2019).

THE TRUSTEES

The Trustees who served the company during the period 1 January 2022 to 31 December 2022 were:
Paul Morley
Dan Northover (resigned 23rd September 2022)
Norman Urwin
Richard Alty
Mark Buttanshaw
Eileen Brady
Karen Bianchi (appointed 1st March 2022)
Febrina Robinson (appointed 1st March 2022)

REFERENCE AND ADMINISTRATIVE DETAILS

Name of the company:	Handcrafted Projects
Company registration number:	07884740
Charity number:	1146188
Registered office:	Unit 7, Skillion Business Park, Littleburn Industrial Estate, Langley Moor, Durham, DH7 8HG
Auditors:	Ribchesters Group Limited, Finchale House, Belmont Business Park, Durham, DH1 1TW

STRUCTURE, GOVERNANCE AND MANAGEMENT

Handcrafted Projects is a company limited by guarantee with company registration number 7884740. It is governed by its Memorandum and Articles of Association dated 16 December 2011. It was registered as a charity with the Charity Commission on 1 March 2012 with charity number 1146188. The subscribers to the Company's Memorandum of Association were the first members of the Charity. Membership is open to other individuals or organisations who apply to the charity in the form required by the Directors and who are approved by the Directors.

TRUSTEE APPOINTMENT, INDUCTION AND TRAINING

Handcrafted recognises the importance of a diverse, skilled and experienced Board. The Directors proactively seek out potential new Members who have the required strengths and background, who may be appointed at any ordinary meeting. New trustees may be elected after attending a Board meeting as an observer.

New trustees undergo an induction to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the strategic plan and recent developments of the charity. They will attend Handcrafted activities, to meet beneficiaries and key employees .

ORGANISATION AND DAY-TO-DAY MANAGEMENT

The directors consider the board of directors, and the senior management team comprise the key management personnel. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 7 and 18 to the accounts. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. The directors will also seek to benchmark against other similar roles in the charity sector.

A Chief Executive and an Operations Director are appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment, strategic planning, and safeguarding.

RISK MANAGEMENT

Major risks are reviewed at quarterly board meetings and six steering groups have been established to review the systems and procedures to manage these risks on a more regular basis. These steering groups include Directors, staff members and external specialists who have the relevant expertise. These steering groups cover the key strategic risks and opportunities in the respective areas of:

- Finance,
- Safeguarding,
- Mission & Values,
- HR & Wellbeing,
- Health & Safety, and
- Regulatory Environment.

OBJECTIVES AND PURPOSE

CHARITABLE OBJECTIVES

- To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society. For the purpose of this clause "socially excluded" means being excluded from society, or parts of society, as a result on one of the following factors: unemployed; financial hardship; old age; substance abuse or dependency including alcohol and drugs and poor education or skills attainment.
- The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.
- The relief of financial hardship by providing people with goods and services which they could not otherwise afford through lack of means.
- The advancement of the Christian faith for the benefit of the public.

PUBLIC BENEFIT

All our charitable activities are undertaken to further our charitable purposes for the public benefit. The Trustees have had regard to the Charity Commission's guidance on public benefit throughout the period when deciding on the activities of the charity.

VALUES

The following values have been identified as essential to the way the Handcrafted works. We seek to demonstrate these in every aspect of the way that we work with beneficiaries, with our colleagues, with partner organisations, and with members of the public:

EMPOWERMENT - Everyone can learn to take back control of their lives

COMMUNITY - We accept people just as they are, and we support each other

EMPATHY - We will walk through challenges together, shoulder to shoulder

CREATIVITY - Everyone can make something to be proud of

TRUSTEES' ANNUAL REPORT

OUR STATEMENT OF PURPOSE

Handcrafted's mission is to connect with the most socially excluded people in society, to offer them the support, housing, training, and opportunities so that they might be empowered to turn their own lives around.

In 2022 we worked with 623 people - believing in them, getting alongside them, and giving them the chance that they need.

In these uncertain and difficult times, with the cost of living increasing, the most vulnerable and most isolated are hit hardest. Consequently, we saw a 53% increase in the number of new referrals: from 210 in 2021 up to 322 in 2022.

We want to match this by continuing to grow to help more people who have the most complex needs, often including a combination of factors such as homelessness, unemployment, leaving care, offending history, addiction, mental health issues, disability, and abuse.

ACTIVITIES & OUTPUTS

We connected with 623 people in 2022, demonstrating our reputation for effective support that will have a lasting impact. We provide opportunities for our trainees to realise their own resourcefulness by offering sustainable tenancies in supported housing; practical and creative skills training in a positive community context; person-centred holistic support; signposting and opportunities to progress.

HOUSING

In 2022, 61 previously homeless people were housed in a safe, quality home with us. We expanded our portfolio to include 60 spaces in 47 properties and will buy 14 more houses in 2023.

TRAINING

Experienced Training Supervisors run 2 training sessions per weekday in each of our hubs in Durham, Chester-le-Street and Gateshead. Every day we have an average of 43.3 people attending training sessions across the hub locations in carpentry, catering, and crafts.

SUPPORT

Our team provide person-centred support based on the strengths people already have, to empower them to find their own solutions to improve their wellbeing. In 2022 we did 2,553 support visits, and 117 people attended our protected groups for vulnerable women and young people.

OPPORTUNITY

As trainees build more stability into their lives, we help them overcome barriers and provide advocacy and signposting. 54 people progressed into volunteering or employment in 2022.

ACHIEVEMENTS AND PERFORMANCE

Some trainees unlock changes within weeks of first engaging with us. Others take months or years to find stability. We want lasting transformation for our trainees, so progress and stability are equally valued. We measure impact by tracking each interaction with trainees on our tailor-made database:

LIVING SPACE

Having a safe and suitable place to live. We are currently sustainably housing 52 people, of whom 49% are demonstrating the skills for independent living by managing to pay all of their bills on time, despite the current cost-of-living challenges.

SELF-CONFIDENCE

Having confidence in abilities and potential. In 2022 142 people progressed to take on a helping role at Handcrafted to support other trainees in our activity sessions. 54 progressed into further volunteering and employment opportunities.

USE OF TIME

Having a meaningful use of time. In 2022, 295 people managed to sustain a routine of regularly attending our sessions, despite struggles with social anxiety and chaotic lifestyles.

POSITIVE SOCIAL NETWORKS

A positive community in which encouraging and meaningful friendships are formed. 217 people engaged with social events that we organised outside of usual sessions.

COPING STRATEGIES

Having healthy coping strategies when difficulties arise. In 2022, 146 people engaged with drug and alcohol services to address their substance abuse issues, 101 ex-offenders did not reoffend in the year, and 304 people engaged with us for support with their mental health.

CASE STUDIES

FROM SOCIAL ISOLATION TO A CONTRIBUTING ROLE IN THEIR COMMUNITY

We have had significant success working with people facing social isolation. This is often men over 50 who are struggling with their mental health due to long-term unemployment, family breakdown or offending history.
We have been working with Gavin for several years since he was living in temporary hostel accommodation.

Gavin is very isolated with no support from family or friends. He is unable to re-enter the labour market and his daily life is being increasingly impacted by symptoms of Dementia. He engaged well with the woodwork; he has expanded his skills over time and takes great pride in making things for other people. We were able to provide housing for Gavin, along with person-centred support which has made it sustainable for him to live independently.

We have found that our side-by-side approach, has empowered Gavin to improve his mental wellbeing through increased social and creative activity.

A PARTNERSHIP APPROACH TO COMPLEX MENTAL HEALTH NEEDS

Many of the people we work with are engaging with multiple different services so we use a multi-agency approach to plan our support. In many cases, it is our community support and activities, alongside our approach of empowering people which is valuable in this joined-up working.

Kelly has a range of complex mental health needs. She firstly engaged through our workshops as she was socially isolated, but we provided her housing as she was about to be made homeless. She has complex mental health needs and is closely supported by a Care Co-ordinator and Psychologist.

Kelly has also suffered a significant physical injury, and we were able to adapt our support to her, in co-ordinating her recovery and rehabilitation in hospital and later with physiotherapists. We have thus been able to support her back into employment as a delivery driver.

PLANS FOR FUTURE PERIODS

CURRENT OPPORTUNITIES

There are several opportunities that we have taken to develop our work, including purchasing an additional 14 homes using social investment, securing funding to support 12 Unaccompanied Asylum-Seeking Children, and 5 education contracts for 100s of adults with no previous qualifications.

We are significantly investing in the staff and infrastructure of the charity to be able to deliver this increased provision. We have recruited and trained more staff, and renovated an old pub to include housing, workshops, offices, and a community café. This will secure the long-term financial sustainability of the existing provision and set us up to expand further in future years.

FUTURE EXPANSION

We've developed a model that has proven to be effective and demonstrated how it can be rolled out and sustained in new areas. The approach is flexible enough that it can be tailored to the strengths and needs of the local community to develop organically. This approach meets a need that other people and stakeholders have recognised and are keen to take into Stockton, Darlington, Carlisle, Blackpool, and Liverpool.

We've seen people who were written off by everyone else, able to turn their lives around with the right belief and support. There's yet more demand than we can currently meet in the North East and beyond. Our expansion plan would mean that by 2026 we could be working across 8 regional hubs to house over 160 people each year, provide training to over 1,400 people and carry out over 6,300 support visits to the most isolated and vulnerable people.

FINANCIAL REVIEW

Incoming Resources totalled £1,200,674 and expenditure was £1,039,095. The movement in funds arising in this financial period was a net surplus of £161,579 – which left total funds held by the charity of £335,541 at 31st December 2022.

The charity has achieved a significant increase in income from Charitable Activities, with the income from rental income, training contract, and social enterprise increasing by 20% from £489,499 in 2021, to £588,879 in 2022. Grant income has also increased by 96% from £294,205 in 2021, to £577,275 in 2022.

This has enabled the charity to invest in building the staff team to 24 and to spend £200,444 on developing the tangible fixed assets that are the core infrastructure of the charity. This will create increased opportunities to further grow the charity in 2023 and beyond, to improve the breadth and depth of impact and the financial sustainability of the organisation.

RESERVES POLICY

The trustees aim to keep sufficient working reserves to cover at least two months of committed expenditure including Wages and Salaries, Social Security, Pension Contributions, Rent & Rates, Insurance and Loan Repayments.

The amount of total funds held at 31st December 2022 is £335,541. Of which the amount of restricted funds is £34,964. The amount of reserves after making allowance for restricted funds is £300,577. In comparison with the reserves policy, this is equivalent to four months of committed expenditure.

The trustees have put in place a strategic plan for 2023 to release the equity from property held in tangible fixed assets and to develop income streams from housing and training in order to grow the level of free reserves and to sustain it at between two and four months of committed expenditure.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the Directors for the purposes of company law, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 period. 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;
- 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 proper 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. The Trustees 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Ribchesters Group Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26th September and signed on its behalf by:

P. Morley

Paul Morley, Chair of Trustees

Date: 26/9/27

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HANDCRAFTED PROJECTS

OPINION

We have audited the financial statements of Handcrafted Projects (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The charitable company claimed exemption from audit in the year ended 31 December 2021. The comparative figures included in the financial statements were not subject to audit at that time. We have however been able to satisfy ourselves that those comparatives were properly prepared and therefore this matter does not impact our audit opinion. We have not modified our opinion, therefore, in respect of this matter.

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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and from our knowledge and experience of this sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Acts, Charities Acts, tax legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was a susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining any accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation claims;
- reviewing correspondence with regulators, HMRC and the company's legal advisers.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lesley Stabler BA(Hons) FCCA (Senior Statutory Auditor)
for and on behalf of Ribchesters Group Limited
Registered Auditors
Finchale House
Belmont Business Park
Durham
DH1 1TW

Date: 26.9.23

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 JANUARY 2022 TO 31 DECEMBER 2022

	Note	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME FROM:					
Donations and legacies	2	327,873	-	327,873	330,990
Charitable activities	3				489,499
Housing		369,657	83,915	453,572	
Training		174,491	58,726	233,217	
Support		25,507	75,283	100,790	
Opportunities		55,222	30,000	85,222	
Other income		-	-	-	13,549
Total		**952,750**	**247,924**	**1,200,674**	**834,038**
EXPENDITURE ON:					
Charitable activities	4				(798,958)
Housing		(413,000)	(10,675)	(423,675)	
Training		(228,868)	(63,214)	(292,082)	
Support		(194,440)	(45,078)	(239,518)	
Opportunities		(53,820)	(30,000)	(83,820)	
Total		**(890,128)**	**(148,967)**	**(1,039,095)**	**(798,958)**
Net income/(expenditure)		**62,622**	**98,957**	**161,579**	**35,080**
Transfers between funds		85,036	(85,036)	-	-
Net movement in Funds		**147,658**	**13,921**	**161,579**	**35,080**
RECONCILIATION OF FUNDS					
Total funds brought forward		152,919	21,043	173,962	138,882
Total funds carried forward		**300,577**	**34,964**	**335,541**	**173,962**

BALANCE SHEET

AS AT 31ST DECEMBER 2022

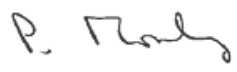
	Note	2022 £ Unrestricted funds	2022 £ Restricted funds	2022 £ Total funds	2021 £ Total funds
Fixed assets					
Tangible fixed assets	9	403,473	-	403,473	244,914
		403,473	**-**	**403,473**	**244,914**
Current assets					
Debtors	10	56,824	-	56,824	32,224
Cash at bank and in hand		14,896	34,964	49,860	97,158
		71,720	**34,964**	**106,684**	**129,382**
Creditors: Amounts falling due within one year	11	(73,638)	-	(73,638)	(62,855)
Net current assets		**(1,918)**	**34,964**	**33,046**	**66,527**
Total assets less current liabilities		**401,555**	**34,964**	**436,519**	**311,441**
Creditors: Amounts falling due after one year	12	(100,978)	-	(100,978)	(137,479)
Net assets		**300,577**	**34,964**	**335,541**	**173,962**
Funds					
Unrestricted funds				300,577	152,919
Restricted funds	16			34,964	21,043
Total funds				**335,541**	**173,962**

Company registration number 07884740

The notes on pages 19 to 29 form part of these financial statements.

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

These financial statements were approved by the members of the committee on 26th September 2023 and are signed on their behalf by:



Paul Morley, Chair of Trustees

Date: 26/9/23

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022 £	2021 £
Net income for the reporting period	161,579	35,080
Adjustments for:		
Depreciation charges	41,885	19,044
Loss/(profit) on the sale of fixed assets	-	(13,549)
Interest charge	9,318	12,167
Decrease/(increase) in debtors	(24,600)	(2,027)
Increase/(decrease) in creditors	14,906	11,075
Net cash provided by operating activities	**203,088**	**61,790**
Cash flows from investing activities		
Purchase of fixed assets	**(200,444)**	**(115,429)**
Proceeds from the sale of fixed assets	**-**	**104,188**
Net cash used in investing activities	**(200,444)**	**(11,241)**
Cash flows from financing activities		
Interest charge	**(9,318)**	**(12,167)**
Repayments of borrowing	**(40,624)**	**(39,963)**
Net cash provided by financing activities	**(49,942)**	**(52,130)**
Change in cash and cash equivalents in the reporting period	(47,298)	(1,582)
Cash and cash equivalents at the beginning of the reporting period	97,158	98,740
Cash and cash equivalents at the end of the reporting period	**49,860**	**97,158**

ANALYSIS OF CHANGES IN NET FUNDS

	2021 £	Cash Flow £	2022 £
Net Cash			
Cash at Bank and in hand	97,158	(47,298)	49,860
Debt			
Debts falling due within 1 year	43,125	(4,123)	39,002
Debts falling due after 1 year	137,479	(36,501)	100,978
	180,604	**(40,624)**	**139,980**

NOTES TO THE FINANCIAL STATEMENTS

1.ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INCOME

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants and donations are included in full in the Statement of Financial Activities when the charity becomes entitled. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts. Assets donated are recognised in full as donations and fixed assets.
- Incoming resources from charitable trading activities are accounted for when earned.
- Grants and fees received for current year expenditure and grants for purchase of fixed assets are recognised in full in the Statement of Financial Activities in the period in which they are received, provided that the conditions for receipt have been complied with.
- Income is deferred only where the criteria for recognition as incoming resources in the Statement of Financial Activities does not exist at the balance sheet date.

EXPENDITURE

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

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's visitor centres and from the commercial trading activities of the company's subsidiary.
- Direct staff costs have been allocated to the activity categories within the Statement of Financial Activities according to the staff time spent. Other direct costs are allocated according to the activity. Support costs have been apportioned based on an average of all staff time spent that cannot be allocated specifically to one activity.
- 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.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on the basis of time spent.

FIXED ASSETS

Purchased assets with a useful economic life and initial cost exceeding £500 are capitalised. All other purchased assets are expensed. All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	- 16.67% to 33.33% straight line per annum
Property	- 2% straight line per annum
Leasehold Improvements	- 10% straight line per annum

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FINANCIAL INSTRUMENTS

The 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 company's balance sheet when the 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 present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CLASSIFICATION OF FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BASIC FINANCIAL LIABILITIES

Basic financial liabilities, including creditors, bank loans and other 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 business 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.

2. DONATIONS & LEGACIES

	2022 Unrestricted £	2022 Restricted £	2022 Total funds £	2021 Total funds £
Donations – gift aided	17,638	-	17,638	21,827
Donations – not gift aided	12,473	-	12,473	9,501
Gift aid recovered	4,409	-	4,409	5,457
Grants	293,353	-	293,353	294,205
Total donations and legacies	**327,873**	**-**	**327,873**	**330,990**

3. INCOME FROM CHARITABLE ACTIVITIES

	Grants £	Rental Income £	Training Contracts £	Social Enterprise £
Housing	10,675	442,897	-	-
Training	102,878	-	130,339	-
Support	100,790	-	-	-
Opportunities	69,579	-	-	15,643
Total	**283,922**	**442,897**	**130,339**	**15,643**

	Total £
Housing	453,572
Training	233,217
Support	100,790
Opportunities	85,222
Total	**872,801**

4. COSTS OF CHARITABLE ACTIVITIES - BY ACTIVITY

	Direct Costs £	Management/ Administration £	Governance £	Total Costs £
Housing	362,582	58,206	2,887	423,675
Training	249,964	40,128	1,990	292,082
Support	204,980	32,906	1,632	239,518
Opportunities	71,733	11,516	571	83,820
Total cost of charitable activities	**889,259**	**142,756**	**7,080**	**1,039,095**

5. COSTS OF CHARITABLE ACTIVITIES - BY NATURE

	2022 Unrestricted funds	2022 Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Wages and salaries	339,542	132,402	471,944	377,393
Social security	28,763	-	28,763	22,632
Pension Contributions	12,850	-	12,850	10,708
Rent & Rates	205,804	-	205,804	150,934
Contracted out services	48,776	-	48,776	71,488
Equipment	6,697	-	6,697	1,905
Materials	49,671	16,565	66,236	58,907
Protective Clothing	-	-	-	206
Insurance	19,306	-	19,306	9,464
Utilities	51,301	-	51,301	22,767
Travel & Subsistence	14,131	-	14,131	11,900
Furnishings	10,731	-	10,731	4,465
Printing & Stationery	1,011	-	1,011	1,290
Training	2,651	-	2,651	746
Depreciation	41,885	-	41,885	19,044
Sundry expenses	40,611	-	40,611	22,942
Interest Payable	9,318	-	9,318	12,167
Total	**883,048**	**148,967**	**1,032,015**	**798,958**

6. AUDITORS REMUNERATION

	2022	2021
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	5,940	-
Accountancy Services	1,140	-
Total	**7,080**	-

7. TRUSTEES REMUNERATION

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021

8. STAFF COSTS AND EMOLUMENTS

	2022	2021
	£	£
Wages and salaries	471,944	377,393
Social security	28,763	22,632
Pension	12,850	10,708
Total staff costs and emoluments	**513,557**	**410,733**

	2022	2021
	Number	Number
Project workers	21	18
Administrative	3	2
Total average number of staff	**24**	**20**

No employees received emoluments in excess of £60,000
Key management personnel remuneration for the period totalled £44,534 (2021: £38,737)

9. TANGIBLE FIXED ASSETS

	Leasehold Improvements 2022	Equipment 2022	Freehold Property 2022	Total 2022
	£	£	£	£
Cost				
At 1 January 2022	27,854	59,093	199,533	286,480
Additions	174,492	25,952	-	200,444
At 31 December 2022	**202,346**	**85,045**	**199,533**	**486,924**
Depreciation				
At 1 January 2022	5,198	27,139	9,229	41,566
Charge for the year	20,233	17,657	3,995	41,885
At 31 December 2022	**25,431**	**44,796**	**13,224**	**83,451**
Net book value				
At 31 December 2022	**176,915**	**40,249**	**186,309**	**403,473**
At 31 December 2021	22,656	31,954	190,304	244,914

10. DEBTORS

	2022	2021
	£	£
Gift aid recoverable	2,389	1,041
Accrued income	31,296	-
Trade debtors	23,139	31,183
Total	**56,824**	**32,224**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	5,386	15,363
Accruals	9,198	-
Other Creditors	3,749	-
Concessionary Loans	39,002	43,125
Other taxation & social security	16,303	4,367
Total	**73,638**	**62,855**

12. LONG TERM CREDITORS

	2022	2021
	£	£
Concessionary Loans due in 1-2 years	2,812	39,002
Concessionary Loans due in 2-5 years	8,896	8,661
Concessionary Loans due in over 5 years	89,270	89,816
Total	**100,978**	**137,479**

13. CONCESSIONARY LOANS DETAIL

	Due in 1 year	Due after 1 year
	£	£
Loan 1: 8% interest, repayable over 4.5 years, unsecured	36,261	-
Loan 2: 0% interest, repayable over 20 years, secured by way of a fixed charge against the property to which it relates	1,500	25,125
Loan 3: 6% interest, repayable over 30 years, secured by way of a fixed charge against the property to which it relates	708	42,484
Loan 4: 6% interest, repayable over 30 years, secured by way of a fixed charge against the property to which it relates	533	33,369
Total	**39,002**	**100,978**

The total amount of secured liabilities as at 31st December 2022 was £103,720 (2021: 106,394)

14. LEASING ARRANGEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	£
Within one year	146,050
Between one and five years	391,774
More than five years	78,411
Total	**616,235**

15. MOVEMENT IN FUNDS

	Incoming resources £	Outgoing resources £	Movement in funds £
Unrestricted Funds			
General Fund	952,750	(890,128)	62,622
	952,750	**(890,128)**	**62,622**
Restricted Funds			
NHS Connector Grant	-	(16,565)	(16,565)
TAPS Grant	-	(4,478)	(4,478)
The Earl of Northampton's Charity	73,240	-	73,240
Nationwide Building Society	47,330	(37,549)	9,781
Social Enterprise Support Fund	30,000	(30,000)	-
Mid Durham AAP	19,533	(19,533)	-
NHS Health Improvement Fund	19,500	(13,067)	6,433
Access Reach Fund	10,675	(10,675)	-
PCC Safety Fund	7,100	(7,100)	-
Community Infrastructure Levy	6,500	-	6,500
Dickon Trust Fund	3,000	(3,000)	-
Akzo International Paint Fund	2,000	(2,000)	-
Gateshead Covid Champion	5,000	(5,000)	-
Benefact Trust	3,000	-	3,000
Deckham Local Community Fund	2,296	-	2,296
Gateshead Small Food Grant	5,250	-	5,250
Benefact Trust - Brighter Lives	13,500	-	13,500
	247,924	**(148,967)**	**98,957**

	Balance at 1 Jan 2022 £	Movement in funds £	Transfers between funds £	Balance at 31 Dec 2022 £
Unrestricted Funds				
General Fund	152,919	62,622	85,036	300,577
	152,919	**62,622**	**85,036**	**300,577**
Restricted Funds				
NHS Connector Grant	16,565	(16,565)	-	-
TAPS Grant	4,478	(4,478)	-	-
The Earl of Northampton's Charity	-	73,240	(73,240)	-
Nationwide Building Society	-	9,781	-	9,781
NHS Health Improvement Fund	-	6,433	-	6,433
Community Infrastructure Levy	-	6,500	(6,500)	-
Benefact Trust	-	3,000	(3,000)	-
Deckham Local Community Fund	-	2,296	(2,296)	-
Gateshead Small Food Grant	-	5,250	-	5,250
Benefact Trust - Brighter Lives	-	13,500	-	13,500
	21,043	**98,957**	**(85,036)**	**34,964**

16. RESTRICTED FUNDS

NHS Connector Grant

To run woodwork sessions as gathered therapeutic activity and provide hot meals each day to encourage building community. This has been vital to our trainees' improved mental health as many of them face severe social isolation due to their complex backgrounds.

TAPS Grant

Launching practical activity sessions in East Durham through which we will engage with vulnerable individuals and connect them to our holistic support.

Dickon Trust Fund & Akzo International Paint Fund

Two Support Workers running training sessions throughout the day, and home visits for our residents. On the frontline of the holistic support that we provide, helping people develop practical skills and offering encouragement and support in all areas of life.

Deckham Local Community

To equip a Training Kitchen in our new hub, to provide community activities that instil a sense of belonging, that boost confidence and build healthy coping strategies. The equipment is for unrestricted use so the assets are transferred to the general fund.

Social Enterprise Support

Expanding our Enterprise Hub to launch a new Community Café in Gateshead

Gateshead Covid Champion

Running a Training Kitchen which we will use to provide vulnerable adults with training in cookery. Enabling us to provide activity sessions to up to an additional 60 people per week, in addition to the carpentry workshop and the Women's Group sessions.

Benefact Trust

To convert a pub in Gateshead into our new training hub. Specifically towards the work on converting part of the downstairs area into a community caféand space for advocacy services. These assets are for general use so are transferred to the general fund.

Mid Durham AAP

To run 'Creative Communities' sessions from our workshop in Langley Moor, supporting people who have been severely impacted by the pandemic, helping them to stabilise their mental health and wellbeing through creative, therapeutic activities that build confidence.

Community Infrastructure

To convert a pub in Gateshead into our new training hub. Specifically towards the work on converting part of the downstairs area into a training kitchen and workshop. These assets are for general use so are transferred to the general fund.

The Earl of Northampton's Charity

The capital costs of renovating a former pub to become our new Gateshead community hub, to provide training, support services, enterprise opportunities, and housing. This funding specifically is to create four high quality flats for people at risk of homelessness, these flats will be for the unrestricted use of the charity so are transferred to the General Fund.

16. RESTRICTED FUNDS - CONTINUED

PCC Safety Fund
To deliver cookery sessions and holistic support specifically working with young people who are ex-offenders or at risk of offending across the County, working with 70 people in total over 6 months. It will enable us to focus specifically on working with referrers such as Probation, Young People's Services and Durham Constabulary to grow our work with young people.

Access Reach Fund
Business planning, financial modelling and social impact measurement to support the organisation to become investment ready.

NHS Health Improvement
To provide wrap-around, holistic support to vulnerable adults in the area through our Durham support workers who are crucial to delivering our person-centred intensive support in every element of our work.

Nationwide Building Society
The staff, and the quality equipment and material costs that we need to get the Gateshead community hub established and to really engage with people who need the most support to avoid homelessness.

Gateshead Small Food Grant
To support the running costs of our brand new community cafe in Deckham. Our trainees eat a hot meal every weekday in our hub in The Shakespeare, at no cost to them. As our community cafe opens, we will continue with this community activity which meets the immediate needs of our trainees to eat enough healthy food. These hot meals will be cooked by our trainee volunteers in our on-site training kitchen.

Benefact Trust - Brighter Lives
Our Solution Focussed Support project works with local churches in order to provide therapeutic support and activities driven by Christian values, for individuals facing social exclusion and mental health issues.

17. TRANSFERS BETWEEN FUNDS

All transfers from Restricted Funds and Unrestricted Funds relate to where restricted funds have been used to purchase tangible fixed assets that are for the unrestricted use of the charity, in accordance with the relevant restrictions of the funding.

18. RELATED PARTY TRANSACTIONS

From 13th April 2018 the charity has a lease on a two-bed property that is owned by Daniel and Abigail Northover. The property is used to provide supported accommodation to the beneficiaries of the charity. The lease is at a peppercorn rate of £1 per annum to ensure there is no financial benefit derived by Daniel Northover as a trustee of the charity.

From 11th October 2020 the charity has a four-year lease on a one-bed property that is owned by Janet and Graham Buttanshaw, parents of Mark Buttanshaw. The property is used to provide supported accommodation to the beneficiaries of the charity. The lease is at a below market rate of £2,400 per annum.

This is in accordance with the Articles of Association and advice sought from the Charity Commission.

No other trustees received any remuneration in the year or any reimbursement of expenses incurred in carrying out their duties (2021: none).

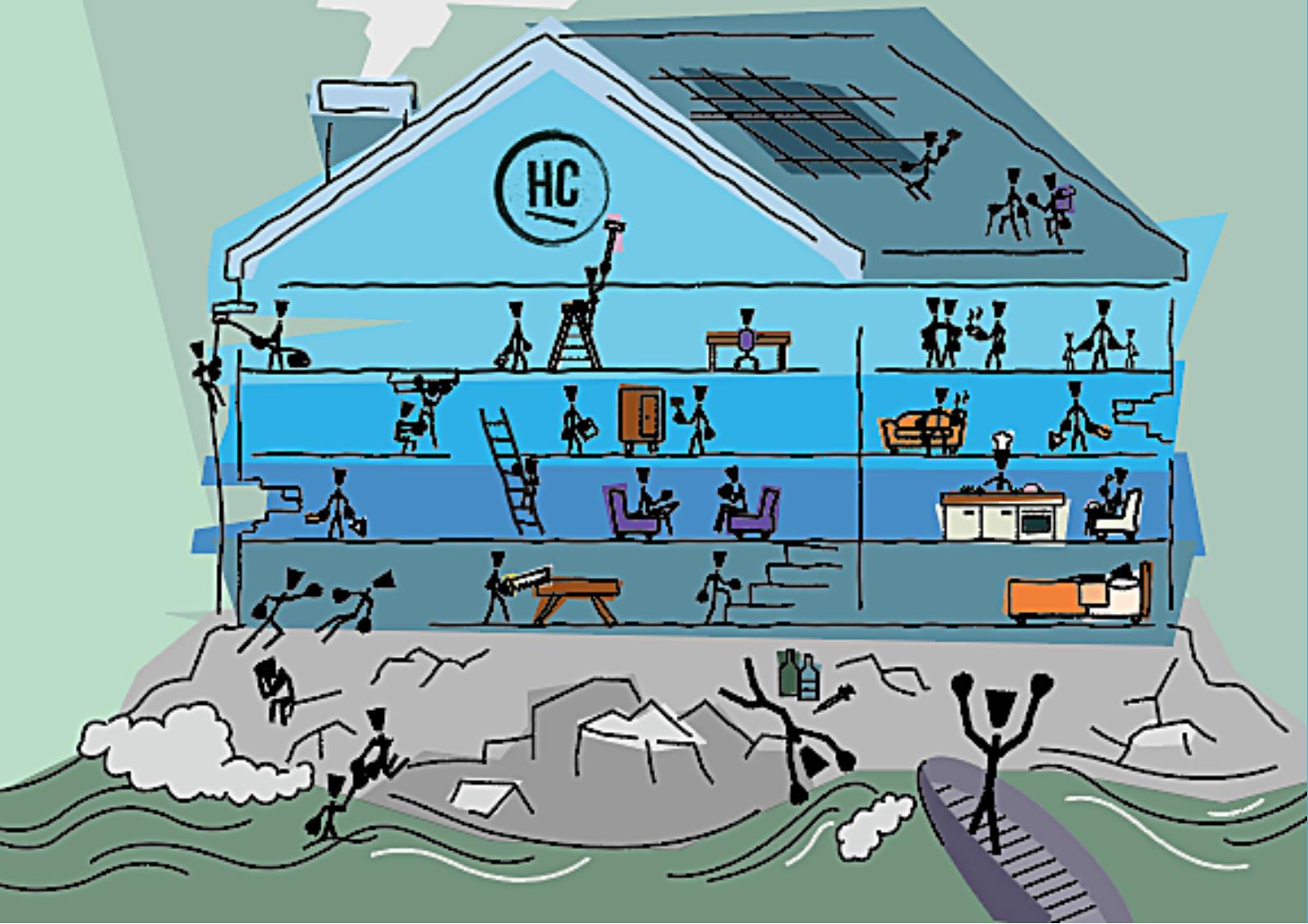
HANDCRAFTED PROJECTS

England & Wales - Charity number 1146188

Accounts

HANDCRAFTED PROJECTS
COMPANY NO. 7884740
CHARITY NO. 1146188

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 2021 TO 31ST DECEMBER 2021



HANDCRAFTED

Financial Statements 1st January - 31st December 2021

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HANDCRAFTED

Financial Statements 1st January - 31st December 2021

TRUSTEES' ANNUAL REPORT

The Trustees, who are also Directors for the purposes of company law, present their report and the unaudited financial statements of the charity for 1 January 2021 to 31 December 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of the company: Handcrafted Projects
Company registration number: 7884740
Charity number: 1146188
Principal office: Unit 7, Skillion Business Park, Littleburn Industrial Estate, Langley Moor, DH7 8HG

THE TRUSTEES

The Trustees who served the company during the period 1 January 2021 to 31 December 2021 were:

Paul Morley
Dan Northover
Norman Urwin
Richard Alty
Mark Buttanshaw
Eileen Brady

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Handcrafted Projects was incorporated on 16 December 2011 with company registration number 7884740. The governing documents are the memorandum and articles of association of the company. The company was registered as a charity on 1 March 2012 with charity number 1146188.

The subscribers to the Company's Memorandum of Association were the first members of the Charity. Membership is open to other individuals or organisations who apply to the charity in the form required by the Directors and who are approved by the Directors.

All Trustees give their time voluntarily and receive no benefit from the charity. No expenses were reclaimed by the Trustees from the charity during the period.

PUBLIC BENEFIT

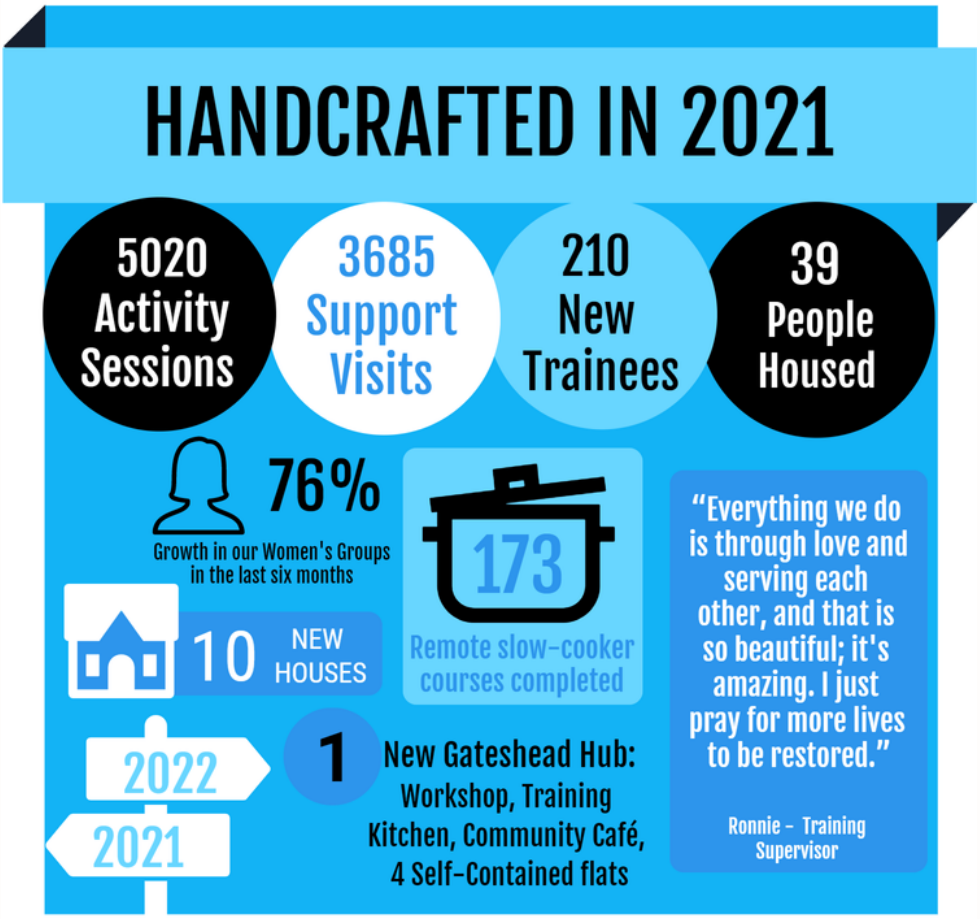
Our main activities and who we help are described throughout in this report, our objectives are laid out below. All our charitable activities are undertaken to further our charitable purposes for the public benefit. The Trustees have had regard to the Charity Commission's guidance on public benefit throughout the period when deciding on the activities of the charity.
Objectives

1) To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society. For the purpose of this clause "socially excluded" means being excluded from society, or parts of society, as a result on one of the following factors: unemployed; financial hardship; old age; substance abuse or dependency including alcohol and drugs and poor education or skills attainment.
2) The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.
3) The relief of financial hardship by providing people with goods and services which they could not otherwise afford through lack of means.
4) The advancement of the Christian faith for the benefit of the public.

HANDCRAFTED

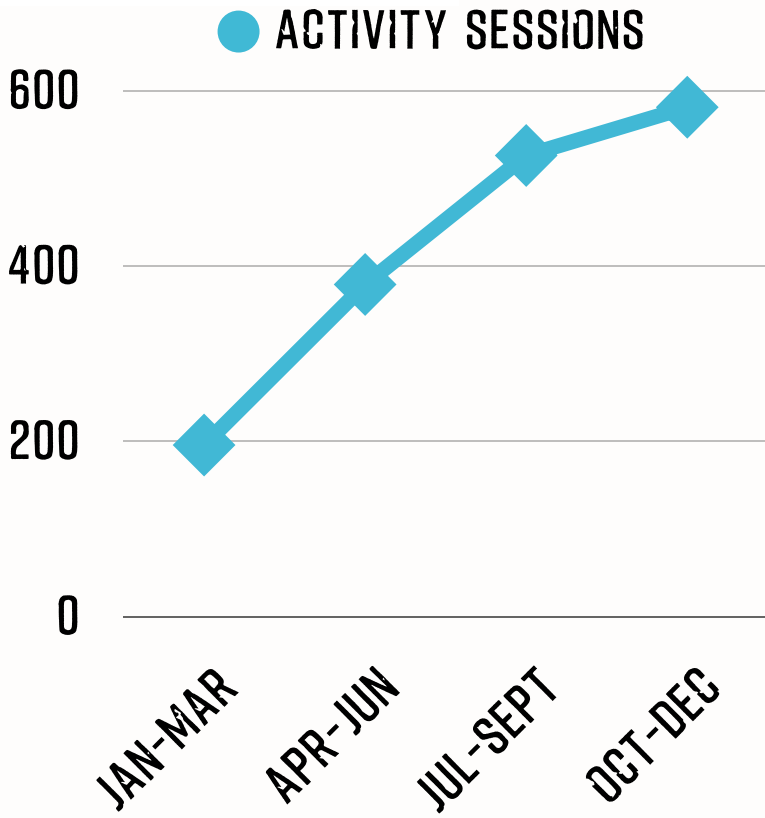
Financial Statements 1st January - 31st December 2021

TRUSTEES' ANNUAL REPORT



- In 2021, we engaged with a total of 551 trainees through our regular training, support and housing.
- The average number of trainees that we supported each month increased by 63% over the year.
- We carried out 2,749 home visits throughout the year to provide wrap-around, holistic support to our residents.

We also started recording further data on how our work empowers our trainees across the five key areas of: living space, use of time, self-confidence, social life & coping mechanisms. For example, in 2021, 156 trainees were empowered to make tangible progress in using time and 107 trainees were empowered to make tangible progress in their self-confidence.



TRUSTEES' ANNUAL REPORT

REOPENING AFTER NATIONAL LOCKDOWN

At the start of 2021, the UK went into another national lockdown. Due to the acute effect of this on individuals who are already extremely socially isolated, we remained dedicated to supporting our trainees in whatever way possible. Our workshops were able to remain open in part, with restricted capacity and several safety regulations in place. As the roadmap out of lockdown began to be rolled out, we experienced a great influx of trainees, with 79 new starters in the month of March alone.

NEW AND DEVELOPING PARTNERSHIPS

Throughout 2021, we continued to build upon some of our existing strong partnerships such as with Re-f-use Cafe in Chester-le-Street. We have worked closely with the community cafe to provide our trainees with a progression route from our training kitchen into volunteering opportunities within the hospitality sector. For the first time this year we have also partnered with Re-f-use to host a 'Restaurant Night', which gives our trainees the experience of cooking for paying customers.

We also built a strong partnership with Chowdene Church, Gateshead, who generously funded a new recycled plastics enterprise within our Gateshead Hub.

WOMEN'S GROUPS LAUNCHED

In March 2021 we launched Women's Groups across all our locations for women who may benefit from female-only activity sessions, most of whom come from a background of domestic abuse. The groups began with 11 women, and by December had grown to 46 individuals. This has formed a part of our overarching aim of providing even better support to our trainees fleeing domestic violence. This year all of our staff undertook specialist training on spotting signs of domestic abuse and supporting those affected.

TRUSTEES' ANNUAL REPORT CONT.

OUR SCREEN-PRINTING ENTERPRISE

In 2020 we began a new enterprise in our Durham hub by introducing screen-printing garments into our offer of activities. We began the year with a hope to take custom screen-printing orders from other organisations, in order to offer an ethical alternative to other screen printing enterprises. This hope came true throughout 2021 with several new partnerships, including the Xtreme Character Challenge, which is an extreme outdoor experience that challenges body, mind and soul. For this one partnership alone, we have printed over 400 t-shirts throughout the year.

We have also brought back our 'A Hope and A Future' hoodies for the second year in a row. We gifted 250 of our trainees and residents a high-quality, hand-printed hoodie for Christmas. Our trainees are often seen wearing these garments in our hubs, which has further built a community feeling within Handcrafted. We have printed over 1000 pieces of clothing in 2021 alone for different organisations.

REMOTE SLOW COOKER COURSES

In order to adapt to Covid-19 regulations and continue offering training we developed a remote slow cooker course, providing participants with a free slow cooker, ingredients and instructions for a four week course. Between January and April, 38 single parent families had completed the remote cooking course. Throughout the year we delivered over 100 slow cooker remote courses.

31 PEOPLE BACK INTO WORK OR VOLUNTEERING

TRUSTEES' ANNUAL REPORT CONT.

CARE LEAVERS

In 2021 we began to support even more individuals who are below the age of 25 and are transitioning out of the care system. By the end of 2021, we were engaging 39 young care leavers and had three additional young care leaver residents. Our Care Leavers Coordinator continued to form an important part in carving out how Handcrafted can best cater our work to support young care leavers, liaising with Young People's Advisors to develop our multi-agency approach to care leaver support. Throughout the year we carried out over 650 support visits to care leavers alone.

Under the government's kickstart scheme for SMEs, we will were also able to offer 6-month work placements to four individuals who are ages between 16-24 and currently on Universal Credit. This was an exciting opportunity to support some of our care leavers in gaining confidence and professional skills.

MEETING THE HOUSING DEMAND

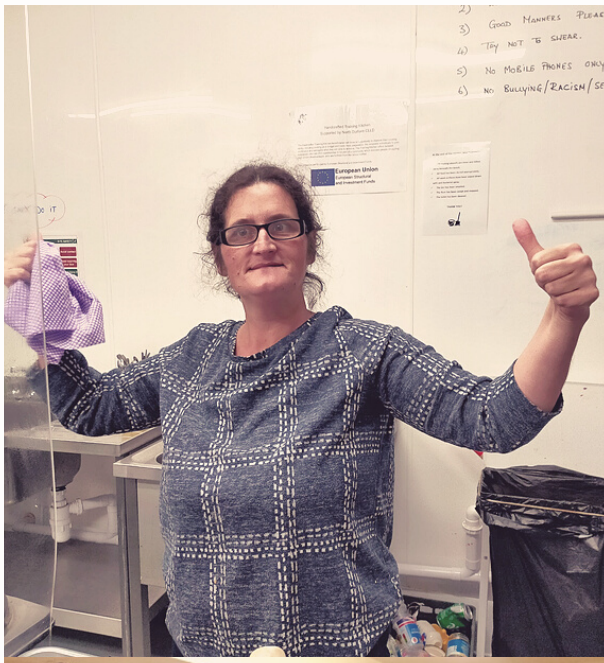
By the end of 2021, we had 34 houses, with 43 residents. This was a big increase of 10 properties since the previous year. We were able to involve some of our trainees in the process of renovating some of these properties into stable homes for others. These have been used to provide individuals who were homeless or at risk of homelessness with a stable home, that they are empowered to renovate, decorate or make furniture for, to give them a real sense of ownership. We are continuing to grow and we expect to be able to house more people in 2022.

TRUSTEES' ANNUAL REPORT CONT.

WINNING NEW CONTRACTS

We have been fortunate to secure training contracts across all of our hubs, to deliver training to vulnerable, unemployed or inactive adults in carpentry and catering. These have enabled us to help trainees grow their confidence and skills and remove barriers to employment.

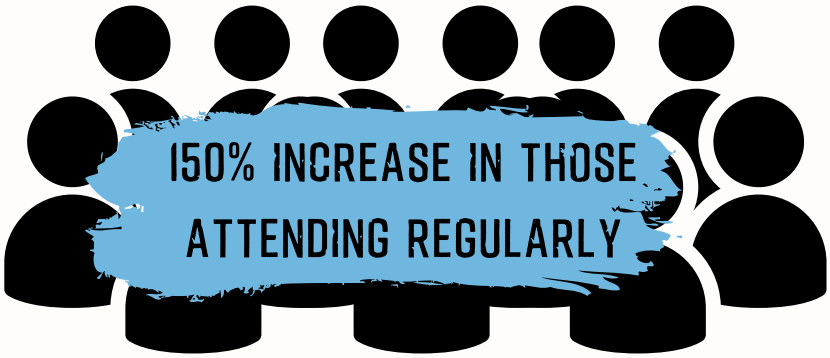
Through this funding we have offered holistic support both in the workshops and at home, engaging with each individual's needs and empowering them to make positive steps to turn their own lives around.



DEVELOPING A STRATEGIC PLAN

As we near our 10th anniversary, we have been reflecting upon the future direction of Handcrafted and what areas of our work we would like to adapt and scale up within the next five years. This has felt particularly pressing with the rapid rise in demand for our work across all of our locations. With the expansion of our staff team, trainees and number of training contracts we are now in a good position to dream big about the future.

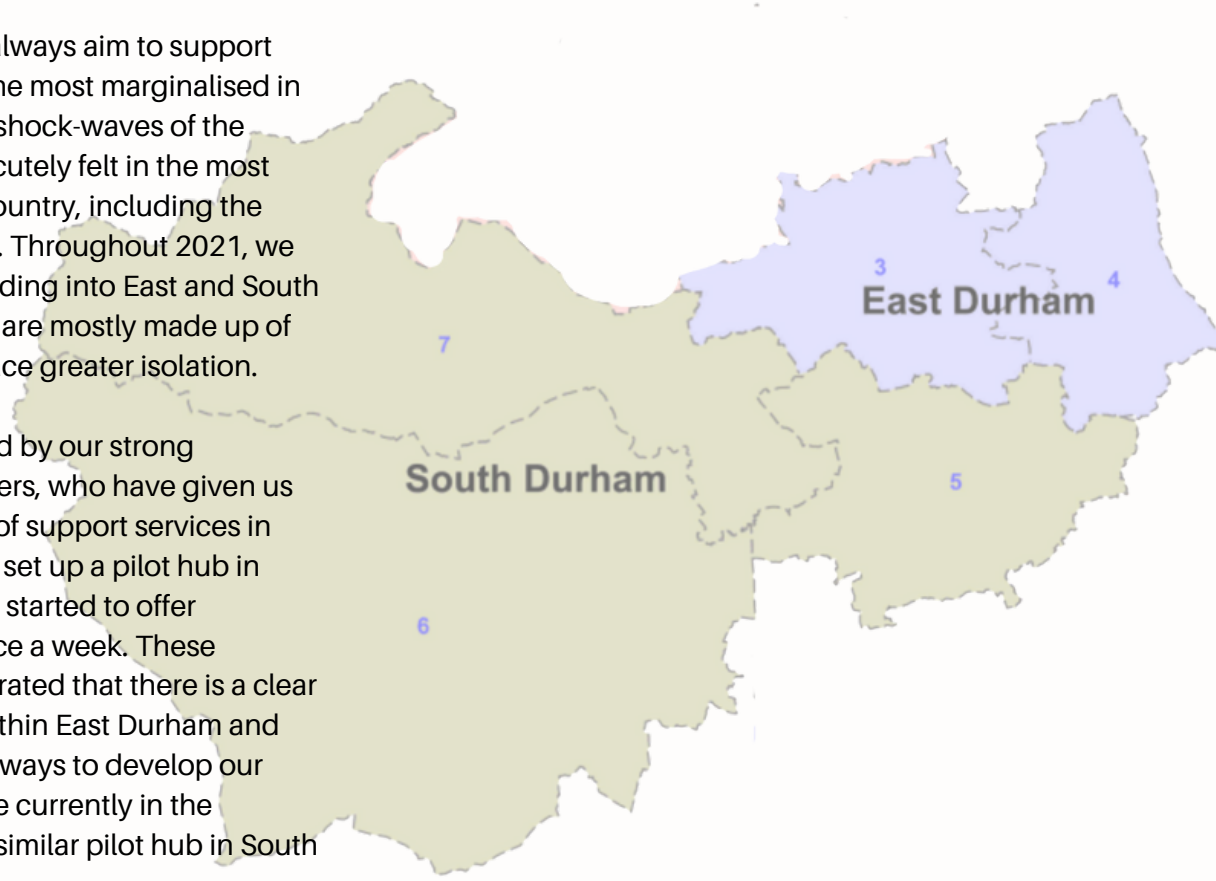
In October we set up set up several meetings to hear the input of trustees, staff and trainees on how they envision the future of Handcrafted. We worked with an external consultant to analyse and summarise the feedback that we have received and we will be releasing our 5-Year Strategic Plan in early 2022.



TRUSTEES' ANNUAL REPORT CONT.

PLANS TO EXPAND INTO UNDERSERVED AREAS

As an organisation we always aim to support those who have been the most marginalised in society. The economic shock-waves of the pandemic have been acutely felt in the most deprived areas of the country, including the whole of the North East. Throughout 2021, we have looked into expanding into East and South Durham, as these areas are mostly made up of small pit villages, and face greater isolation.



This was also influenced by our strong partnerships with referrers, who have given us an insight into the lack of support services in these regions. We have set up a pilot hub in Murton, where we have started to offer woodwork sessions once a week. These sessions have demonstrated that there is a clear need for our support within East Durham and we continue to look for ways to develop our work in this area. We are currently in the process of setting up a similar pilot hub in South Durham.

Alongside our plans to expand to underserved areas, we have also been looking into moving our current Gateshead Hub, as in 2021 we outgrew our workshop space with the rising demand for our support. We have identified Deckham as an area of Gateshead which has acutely felt the economic shockwaves of 2021 and lacks sufficient support services.

TRUSTEES' ANNUAL REPORT CONT.

THE SHAKESPEARE PUB

We began to look for a new space for our Gateshead Hub earlier in 2021 as we began to outgrow our previous workshop. This was also partly due to a rapid rise in the number of trainees within our Women's Group, which was set up in March 2021.

We partnered with Green Pastures to purchase an old pub in Deckham, and we received the keys in November. This is an exciting opportunity that will allow us to rapidly scale up our work in Gateshead and meet the rising demand for our support.

Deckham is an area with great untapped potential for community engagement, with many families having been in the area for generations. The area experiences high levels of deprivation and crime, and lacks community services. The Shakespeare pub, which will soon be our Gateshead Hub, was previously known for attracting criminal and anti-social behaviour. We plan on converting this space to offer a great variety of services to the community in Deckham. These would include: a workshop, training kitchen, community cafe, food & hygiene banks, and four self-contained flats. We want to offer a huge variety of services to be able to offer wrap-around support to all our trainees.

In line with our core values, we want to develop opportunities that can empower local residents. Within our food bank, this will look like giving those who take food parcels the opportunity to come back to our training kitchen, take part in a cooking session and contribute meals back into the community fridge.

The finishing of the upstairs, which will hold our four self-contained flats, will be a priority in the renovation process as there is always a pressing need for safe and supported housing. We would like to prioritise these flats to be used by young care-leavers and individuals fleeing domestic abuse.

TRUSTEES' ANNUAL REPORT CONT.

CONNOR'S STORY

Connor is 23 years old and was born and raised in Deckham, an area of Gateshead which we are hoping to move into. He is kind-hearted, soft-spoken, and positive, but when asked about growing up in Deckham, he does not shy away from stating the blunt reality of his experience:

"AWFUL. I DIDN'T HAVE MUCH OF A CHILDHOOD UNTIL I WAS 11. EVERYONE IS EITHER TOO CAUGHT UP IN BEING IN POVERTY OR TOO BUSY TRYING TO SURVIVE...THERE WAS NEVER ANYTHING AROUND THE AREA WHEN I WAS YOUNGER, IT WAS ALL PEOPLE EITHER TAKING DRUGS, GOING OUT OR CAUSING HAVOC. ANYTHING TO KEEP THEIR MIND OFF LIFE I GUESS"

It was during his childhood when Connor started to battle serious anxiety and he became more and more socially isolated, preferring his own space "because it was less chaotic".
He first heard about Handcrafted in September 2021 from a friend who also started to come along to the workshop.

On his first day, Connor experienced an "initial wave of anxiety", a feeling which calmed down once he realised how welcoming the hub really was. He finished his first day project – a chopping board – and decided that same day that he would definitely be coming back. Since then, he has worked on several other projects and is currently in the process of making an electric guitar.

While he is happy that he has developed new skills in woodwork, he'd say the best thing he has gained from coming to Handcrafted is a newfound confidence and how his mental health has improved.

"IT'S THE CONSTANTLY COMING IN, TRYING NEW THINGS, MEETING NEW PEOPLE, AND HAVING CONVERSATIONS I USUALLY WOULDN'T HAVE AND INTEGRATING THE SKILLS BACK INTO NORMAL LIFE. WHERE USUALLY I WOULD ISOLATE MYSELF, I FIND MYSELF MORE WILLING TO GO OUT"

"THIS HUB IS A LITTLE BEACON OF LIGHT. IT GIVES PEOPLE HOPE. IT GIVES PEOPLE SOMETHING TO DO AND TO PUT ENERGY INTO SOMETHING CREATIVE"

TRUSTEES' ANNUAL REPORT CONT.

OUR WOMEN'S GROUPS THROUGHOUT 2021

It has always been a priority for us to create an environment within our workshops where our female trainees feel comfortable and welcomed. Throughout the last couple of years it has been encouraging to see how the number of our male and female trainees began to balance out as at our start the majority of our trainees were male.

However, in 2021 we were keen to develop our work with vulnerable women even further. We wanted to find new ways to support women who may benefit from our training, but would find a mixed-gendered space a barrier to accessing the support that we offer. We set up Women's Groups in all of our locations in March for individuals who would benefit from female-only support. Most of the women who have attended these groups this year come from a background of domestic and/or sexual abuse. These groups have become a special place within the wider Handcrafted community and the women have created a strong support network for themselves.

As an organisation we have developed new partnerships with female refuges and other organisations to reach the most marginalised women in society. In September, every member of staff took part in specialised external training in order to increase the awareness and understanding of domestic abuse across the whole of Handcrafted. We look forward to finding even more ways of how we can best support our female trainees as we head into the new year.

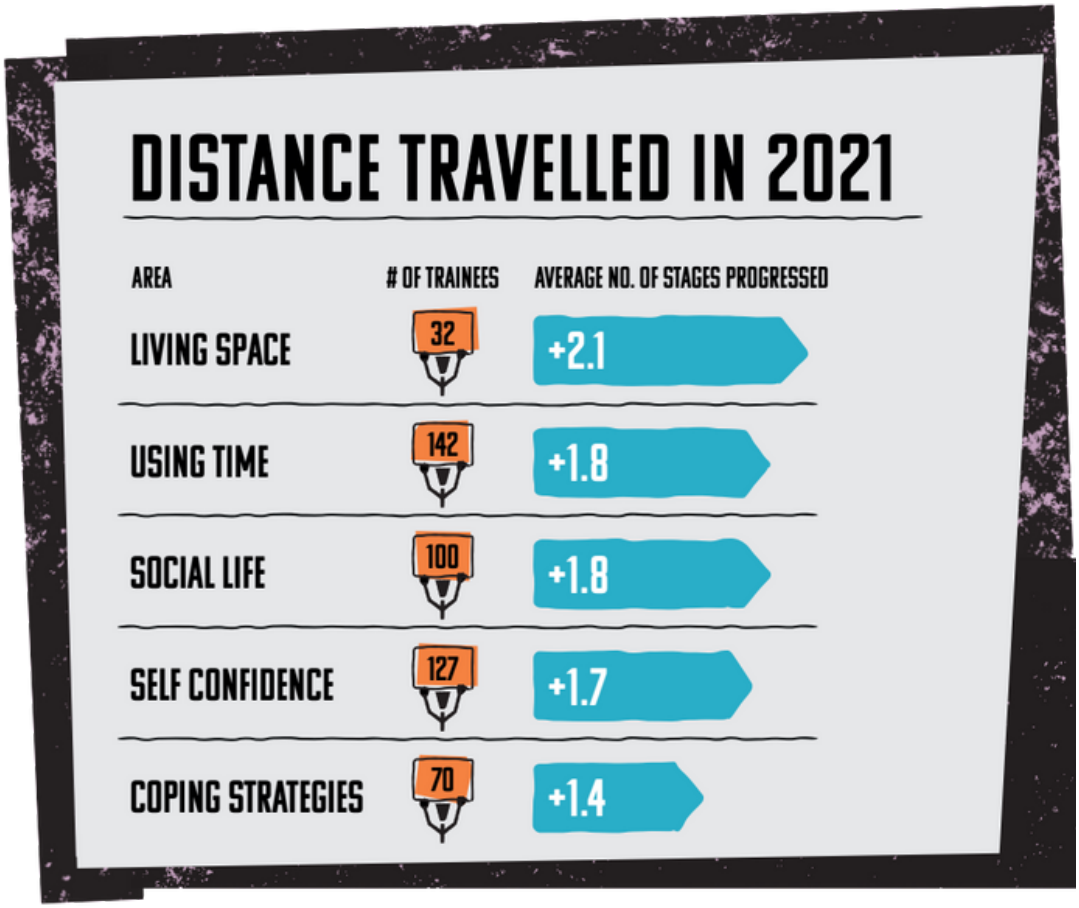
"They have turned my life around. I am a confident, sassy lady now, with a whole new Handcrafted family whom I love with all my heart. I owe everything to this organisation. Thank you for getting me back to being a worthwhile human."
– Women's Group trainee joined in March 2021

"Basically, to me it is just like a big family and a major support group. No matter what help you need everybody is there to help."
- Dawn, joined in July 2021

TRUSTEES' ANNUAL REPORT CONT.

CAPTURING OUR IMPACT

Throughout 2021 we continued to develop our impact measurement system. We have continued to make use of our custom designed database to record every interaction with our trainees, embedding processes to ensure that we record the empowerment of our trainees across five key areas: Living Space, Using Time, Social Life, Self Confidence & Coping strategies. We have been using this data to draw up a bigger picture of the impact of our work and the 'distance travelled' in each of these areas by our trainees. At referral, we now identify the relevant areas of need, then we measure Four Stages of empowerment in each area: Entering, Engaging, Applying and Extending. Our 2021 data has shown many encouraging signs for the impact our work is having:



IN 2021, 156 TRAINEES WERE EMPOWERED TO MAKE TANGIBLE PROGRESS IN USING TIME AND 119 MADE TANGIBLE PROGRESS IN SOCIAL LIFE.

FINANCIAL REVIEW

Incoming Resources totaled £834,038 and expenditure was £798,958. The movement in funds arising in this financial period was a net surplus of £35,080 – which left unrestricted funds of £152,919 at 31st December 2021.

RESERVES POLICY

The trustees aim to keep sufficient working reserves to cover at least two months of committed expenditure. At 31st December 2021, unrestricted reserves were £152,919, which is sufficient to cover three months of committed expenditure including Wages and Salaries, Social Security, Pension Contributions, Rent & Rates, Insurance and Loan Repayments.

The trustees have put in place a strategic plan for the next five years to sustain the level of reserves at between two and four months of committed expenditure. This will be achieved by maintaining revenue streams from property renovation and rental, and developing the revenue streams from enterprise projects and delivering accredited qualifications.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the Directors for the purposes of company law, are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and UK Accounting Standards.

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 period. 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;
- 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 proper 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. The Trustees 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.

SMALL COMPANIES' PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

Daniel Northover, Trustee, 23rd September 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HANDCRAFTED PROJECTS

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st December 2021, which are set out on pages 17 to 23.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act").In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Chartered Institute of Management Accountants.

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have 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 accounts to be reached.

L J Gibbons

Lisa Gibbons ACMA
Independent Examiner
Date: 23rd September 2021

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE PERIOD 1 JANUARY 2021 TO 31 DECEMBER 2021

	Note	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME FROM:					
Grants and donations	2	165,422	165,568	330,990	381,499
Charitable activities		489,499	-	489,499	330,794
Other income		13,549	-	13,549	-
Total		**668,470**	**165,568**	**834,038**	**712,293**
EXPENDITURE ON:					
Charitable activities	3	(597,789)	(189,002)	(786,791)	(566,371)
Interest Payable		(12,167)	-	(12,167)	(12,957)
Total		**(609,956)**	**(189,002)**	**(798,958)**	**(579,328)**
Net income/(expenditure)		**58,514**	**(23,434)**	**35,080**	**132,965**
Transfers between funds		-	-	-	-
Net movement in Funds		**58,514**	**(23,434)**	**35,080**	**132,965**
RECONCILIATION OF FUNDS					
Total funds brought forward		94,405	44,477	138,882	5,917
Total funds carried forward		**152,919**	**21,043**	**173,962**	**138,882**

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 19 to 23 form part of these financial statements.

BALANCE SHEET

AS AT 31ST DECEMBER 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	5		244,914		239,167
Current assets					
Debtors	6	32,224		30,197	
Cash at bank and in hand		97,158		98,740	
		129,382		**128,937**	
Creditors: Amounts falling due within one year	7	(62,855)		(48,617)	
Net current assets			66,527		80,320
Total assets less current liabilities			**311,441**		**319,487**
Creditors: Amounts falling due after one year	8		(137,479)		(180,605)
Total net assets or liabilities			**173,962**		**138,882**
Funds					
Restricted funds	9		21,043		44,477
Unrestricted funds			152,919		94,405
Total funds			**173,962**		**138,882**

The notes on pages 19 to 23 form part of these financial statements.

The trustees are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The trustees acknowledge their responsibilities for:

1)ensuring that the company keeps adequate accounting records which comply with section 386 of the Act; and

2)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 of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008). These financial statements were approved by the members of the committee on 21st June 2021 and are signed on their behalf by:

Dan Northover, Trustee, 23rd September 2021

NOTES TO THE FINANCIAL STATEMENTS

1.ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared on a going concern basis, under the historic cost convention, and in compliance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") Section 1A - Small Entities and applicable standards in the UK. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

As a small entity, the charity has taken advantage of the exemption available to it under FRS 102 Section 1A – Small Entities whereby it is not required to publish its statement of cash flows.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

Incoming resources

Voluntary income comprises donations and grants where no goods or services are expected in return. The income is recognised on a receivable basis in the relevant fund.

Incoming resources from charitable activities comprises grants given to the charity in exchange for particular goods or services. Income is recognised as the charity earns the right to the consideration by its performance of the service. Where income is received in advance of performance its- recognition is deferred and included in creditors. Where entitlement occurs before income is received the income is accrued.

Resources expended

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

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Fixed assets

Purchased assets with a useful economic life and initial cost exceeding £500 are capitalised. All other purchased assets are expensed. All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 10% to 33% straight line per annum

Property - 2% straight line per annum

NOTES TO THE FINANCIAL STATEMENTS

2 VOLUNTARY INCOME

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Donations				
Donations – gift aided	21,827	-	21,827	30,531
Donations – not gift aided	9,501	-	9,501	12,652
Gift aid recovered	5,457	-	5,457	289
Grants	128,637	165,568	294,205	338,027
Total voluntary income	**165,422**	**165,568**	**330,990**	**381,499**

3. COSTS OF CHARITABLE ACTIVITIES

	Note	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Wages and salaries	4	216,981	160,412	377,393	209,556
Social security		22,632	-	22,632	11,404
Pension Contributions		10,708	-	10,708	7,281
Rent & Rates		150,934	-	150,934	104,862
Contracted out services		51,338	20,150	71,488	87,509
Equipment		1,905	-	1,905	2,831
Materials		51,967	6,940	58,907	72,561
Protective Clothing		206	-	206	273
Insurance		9,464	-	9,464	7,961
Utilities		22,767	-	22,767	19,697
Travel & Subsistence		11,900	-	11,900	10,104
Furnishings		4,465	-	4,465	1,048
Printing & Stationery		1,290	-	1,290	1,215
Training		746	-	746	299
Depreciation		19,044	-	19,044	17,471
Sundry expenses		21,442	1,500	22,942	12,299
Total		**597,789**	**189,002**	**786,791**	**566,371**

NOTES TO THE FINANCIAL STATEMENTS

4. STAFF COSTS AND EMOLUMENTS

	2021	2020
	£	£
Wages and salaries	377,393	209,556
Social security	22,632	11,404
Pension	10,708	7,281
Total staff costs and emoluments	**410,733**	**228,241**

	2021	2020
	Number	Number
Project workers	18	10
Administrative	2	1
Total average number of staff	**20**	**11**

5. TANGIBLE FIXED ASSETS

	Equipment	Land & Buildings	Total
	2021	2021	2021
	£	£	£
Cost			
At 1 January 2021	90,068	204,328	294,396
Additions	28,339	87,092	115,431
Disposals	(31,460)	(91,887)	(123,347)
At 31 December 2021	**86,947**	**199,533**	**286,480**
Depreciation			
At 1 January 2021	48,748	6,481	55,229
Charge for the year	15,049	3,995	19,044
Disposals	(31,460)	(1,247)	(32,707)
At 31 December 2021	**32,337**	**9,229**	**41,566**
Net book value			
At 31 December 2021	**54,610**	**190,304**	**244,914**
At 31 December 2020	41,320	197,847	239,167

NOTES TO THE FINANCIAL STATEMENTS

6. DEBTORS

	2021	2020
	£	£
Gift aid recoverable	1,041	481
Trade debtors	31,183	29,716
Total	**32,224**	**30,197**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	15,363	8,655
Concessionary Loans	43,125	39,962
Other taxation & social security	4,367	-
Deferred Income	-	-
Total	**62,855**	**48,617**

8. LONG TERM CREDITORS

	2021	2020
	£	£
Concessionary Loans due in 1-2 years	39,002	43,125
Concessionary Loans due in 2-5 years	8,661	44,700
Concessionary Loans due in over 5 years	89,816	92,780
Deferred Income	-	-
Total	**137,479**	**180,605**

NOTES TO THE FINANCIAL STATEMENTS

9. RESTRICTED FUNDS

	Balance at 1 Jan 2021	Incoming resources	Outgoing resources	Balance at 31 Dec 2021
	£	£	£	£
Jill Franklin Trust	-	34,032	(34,032)	-
County Durham Community Foundation	5,152	-	(5,152)	-
Social Investment Business	6,000	14,150	(20,150)	-
Homeless Link	33,325	-	(33,325)	-
The Trusthouse Charitable Foundation	-	20,000	(20,000)	-
Vardy Foundation	-	33,840	(33,840)	-
Allchurches Trust	-	30,000	(30,000)	-
NHS Connector Grant	-	24,847	(8,282)	16,565
TAPS Grant	-	6,716	(2,238)	4,478
Suicide Prevention	-	1,983	(1,983)	-
Total restricted funds	**44,477**	**165,568**	**(189,002)**	**21,043**

10. RELATED PARTY TRANSACTIONS

From 13th April 2018 the charity has a four-year lease on a two-bed property that is owned by Daniel and Abigail Northover. The property is used to provide supported accommodation to the beneficiaries of the charity. The lease is at a peppercorn rate of £1 per annum to ensure there is no financial benefit derived by Daniel Northover as a trustee of the charity.

From 11th October 2020 the charity has a four-year lease on a one-bed property that is owned by Janet and Graham Buttanshaw, parents of Mark Buttanshaw. The property is used to provide supported accommodation to the beneficiaries of the charity. The lease is at a below market rate of £2,400 per annum.

This is in accordance with the Articles of Association and advice sought from the Charity Commission.

No other trustees received any remuneration in the year or any reimbursement of expenses incurred in carrying out their duties (2020: none).

HANDCRAFTED PROJECTS

England & Wales - Charity number 1146188

Accounts

HANDCRAFTED PROJECTS
COMPANY NO. 7884740
CHARITY NO. 1146188

HANDCRAFTED
A HOPE + A FUTURE

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 2020 TO 31ST DECEMBER 2020

HANDCRAFTED

Financial Statements 1st January - 31st December 2020

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Statement of financial activities (incorporating the income and expenditure account)	17
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TRUSTEES' ANNUAL REPORT

The Trustees, who are also Directors for the purposes of company law, present their report and the unaudited financial statements of the charity for 1 January 2020 to 31 December 2020.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of the company: Handcrafted Projects
Company registration number: 7884740
Charity number: 1146188
Principal office: Unit 7, Skillion Business Park, Littleburn Industrial Estate, Langley Moor, DH7 8HG

THE TRUSTEES

The Trustees who served the company during the period 1 January 2020 to 31 December 2020 were:

Paul Morley
Dan Northover
Norman Urwin
Richard Alty
Mark Buttanshaw
Eileen Brady

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Handcrafted Projects was incorporated on 16 December 2011 with company registration number 7884740. The governing documents are the memorandum and articles of association of the company. The company was registered as a charity on 1 March 2012 with charity number 1146188.

The subscribers to the Company's Memorandum of Association were the first members of the Charity. Membership is open to other individuals or organisations who apply to the charity in the form required by the Directors and who are approved by the Directors.

All Trustees give their time voluntarily and receive no benefit from the charity. No expenses were reclaimed by the Trustees from the charity during the period.

PUBLIC BENEFIT

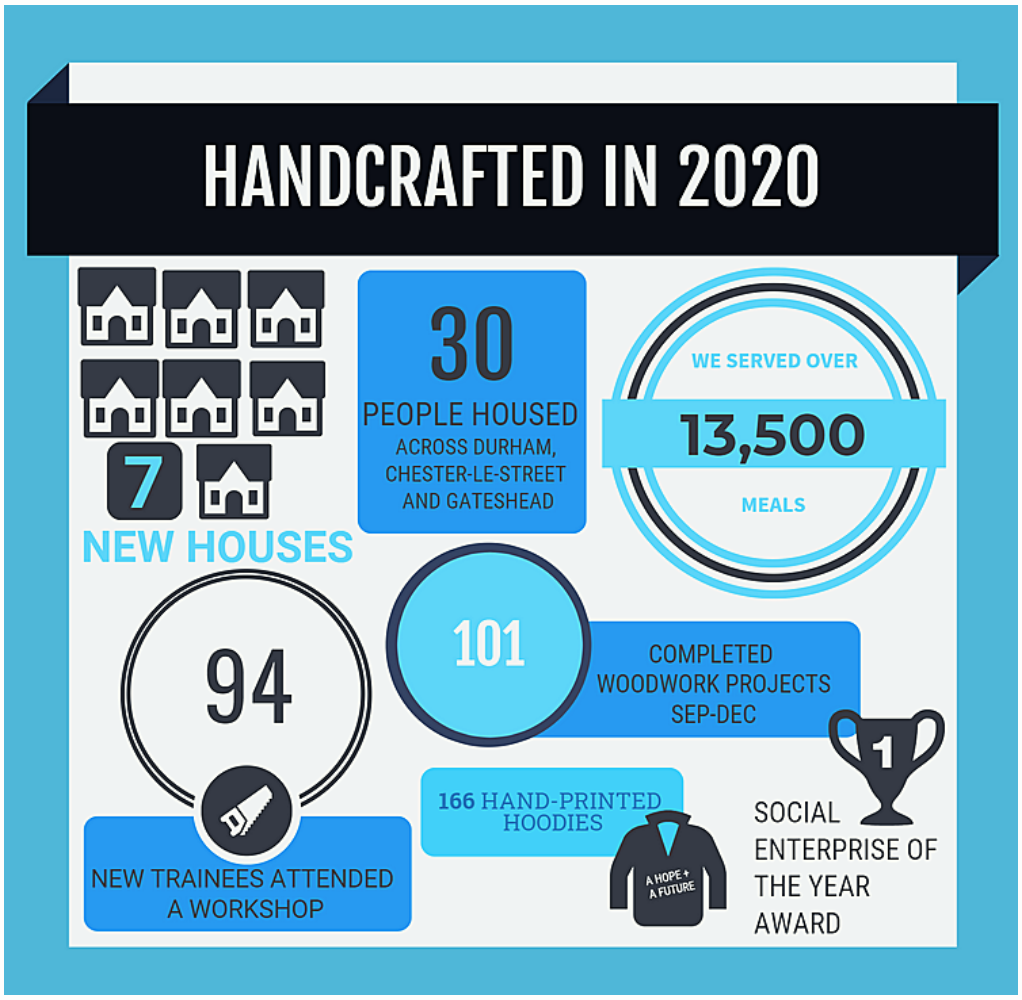
Our main activities and who we help are described throughout in this report, our objectives are laid out below. All our charitable activities are undertaken to further our charitable purposes for the public benefit. The Trustees have had regard to the Charity Commission's guidance on public benefit throughout the period when deciding on the activities of the charity.
Objectives

1) To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society. For the purpose of this clause "socially excluded" means being excluded from society, or parts of society, as a result on one of the following factors: unemployed; financial hardship; old age; substance abuse or dependency including alcohol and drugs and poor education or skills attainment.
2) The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.
3) The relief of financial hardship by providing people with goods and services which they could not otherwise afford through lack of means.
4) The advancement of the Christian faith for the benefit of the public.

HANDCRAFTED

Financial Statements 1st January - 31st December 2020

TRUSTEES' ANNUAL REPORT



In 2020, we supported 265 trainees through our regular training, support and housing, with a daily average of contact with 28 people per day.

- Durham - 104 trainees engaged
- Gateshead - 70 trainees engaged
- Chester-le-Street - 91 trainees engaged.

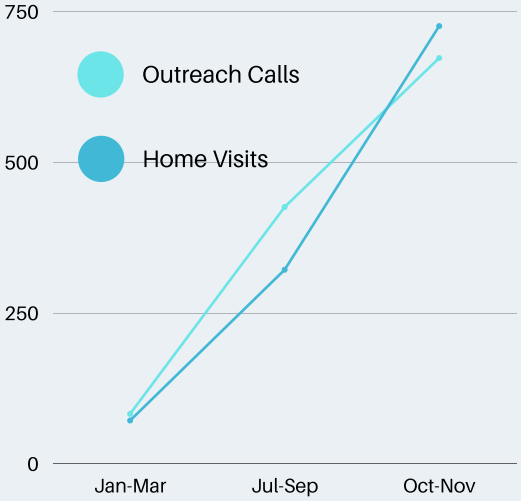
REFERRAL REASONS

Reason	Percentage
Drug/Alcohol Abuse	29%
Ex-Offender	27%
Physical Health	23%
Mental Health	47%
Leaving Care	11%
Asylum Seekers	2%
Facing Homelessness	59%
Ex-Forces	6%

In addition, from March -June we supported 249 individuals through daily meal deliveries, support visits and outreach calls.

Where our gathered activity sessions decreased in number, we increased our number of outreach calls and home visits.

ACTIVITY CHART



TRUSTEES' ANNUAL REPORT

MARCH TO JULY

RESPONDING TO THE NATIONAL LOCKDOWN

As the Covid-19 crisis worsened in the UK, we made the decision to close the workshop, in line with government guidance on educational settings and gathered activity. We began to devise our strategy for remaining in contact with our workshop regulars and residents, as well aiming to reach out to more individuals in the community. We have always worked with the most isolated people across the North East, and in this time of extreme isolation, this was more important than ever.

PARTNERING WITH REFUSE ON MEAL DELIVERY

We partnered with Re-f-Use café in Chester-le-Street to prepare meals for those who we had been working with before the pandemic, which we delivered every weekday. Many of the ingredients for these meals were diverted away from landfill through Re-f-Use's work with supermarkets to tackle food waste. Delivering the meals offered an opportunity to support people on the doorstep, simply with a friendly face, a chance to talk through the difficulties of lockdown, or access practical support with anything from housing maintenance to benefits claims.

RAPID GROWTH ACROSS THE NORTH EAST

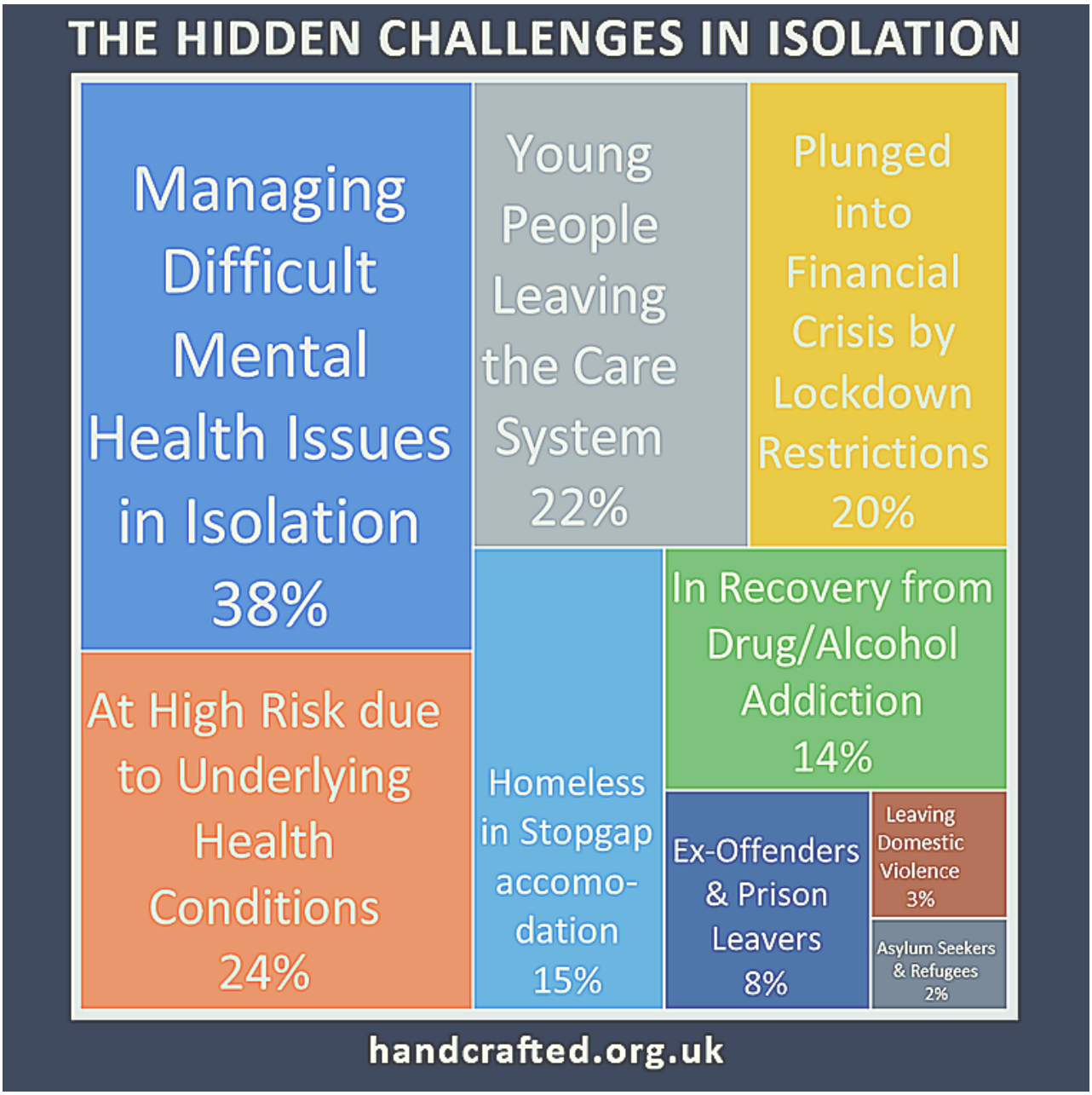
In the first week alone, we delivered 183 meals. We began to contact referrers, offering this service to anyone who was facing extreme isolation and needed support accessing food. Our net of food distribution grew as we received referrals from further afield and became aware of more people struggling to get enough healthy food or to keep mental health on an even keel. Thanks to the help of our supporters and volunteers, we delivered out to areas from the Tyne down to Newton Aycliffe, and from Consett across to the Durham Coast.

12,554 MEALS SERVED TO 330 PEOPLE

TRUSTEES' ANNUAL REPORT CONT.

In addition to the existing, pre-Covid community we have had contact with through our housing and activity hubs, we began strategising to meet the huge demand for ongoing support needs of new referrals. We reviewed the support that people were looking for and found that:

- 67 people in temporary or unsuitable housing would benefit from the Supported Accommodation we offer.
- 122 people have said they want to be part of the training and work experience opportunities that we can offer at our activity hubs.
- 206 people indicated they need ongoing visits and food delivery.



TRUSTEES' ANNUAL REPORT CONT.

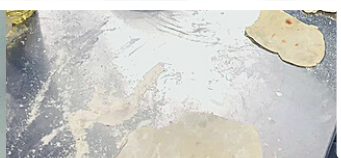
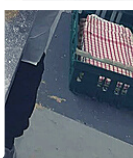
As we changed our ways of working throughout the year, remaining in contact with these individuals remained a top priority and we began to help them connect with our usual activities in the workshops and through home visits.

JULY - RE-OPENING THE WORKSHOPS

Towards the end of June, we began to scale down our meal deliveries and food parcels as restrictions began to lift. We prepared to open our workshops in Durham, Chester-le-Street and Gateshead in July and it was fantastic to get back to being creative and working together, with social distancing and safety guidelines in place. We were also able to welcome new faces to the workshop who we had met through the meal deliveries, bringing them into our creative communities, sharing food and conversation throughout the day and forming new friendships.

Throughout the summer, we continued to work under new conditions and offered meaningful, therapeutic activities, holistic support, and confidence-building to as many people as we could. We've adapted the workshop space to accommodate as many people as possible, but social distancing has continued to limit the numbers we are able to have in one session at a time. We have therefore continued to offer support visits to individuals across the region, providing intensive mental health support, practical help with housing maintenance, and always aiming to empower our trainees to take positive steps forward for themselves.

As we were growing, we spent some time restructuring as an organisation, creating a 'hub' structure, with each workshop operating as its own project with a hub manager, administrator, and support workers. Each location then manages its own activities, support and housing.

TRUSTEES' ANNUAL REPORT CONT.

SARAH'S STORY

During the first lockdown, Sarah was struggling with anxiety and did not leave her flat for four months. This was a period of extreme isolation and it really impacted her mental health. Her social prescriber had heard about Handcrafted's meal deliveries and doorstep support and had got in contact. This was at the time that we were beginning to scale down the food support and start opening the workshops again. Sarah's social prescriber visited to see what we were all about, then came back the next week with Sarah herself.

"...I FELT REALLY SAFE HERE..."

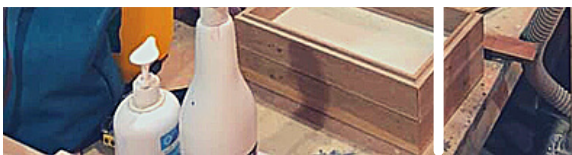
"At first I came in through supported transport. After a while, I started coming in on the bus, which was a really big step for me at the time. I felt really safe here, safe emotionally, and it was good to see other people and there's good banter.
I'd never done woodwork before, but Rob and Graham help break it down into small tasks and I learn new things every week."

"...THE THING I'M MOST PROUD OF..."

"The thing I'm most proud of is my sewing box, which I made to store allsorts of equipment and spools of thread. When I finished that, it felt amazing, to go from having no skills in woodwork to make something that I can use myself and be proud of."

"...BEST DAY OF THE WEEK..."

After Sarah's sessions with her social prescriber ended, Handcrafted support staff took over and now offer Sarah support through home visits and outreach calls. Sarah told us it's been good to have some structure throughout the second and third lockdowns and that when she found out we were able to stay open and she could attend one session a week she was over the moon. "Honestly, the day I come to Handcrafted is the best day of the week."



TRUSTEES' ANNUAL REPORT CONT.

BEN'S STORY

We met Ben shortly after he came out of prison. His life had been completely uprooted and his anxiety and mental health had led him to a point where he no longer wanted to live. At his lowest point, after he had written a letter to say goodbye to his loved ones, Ben remembered that he had been given the number for a charity which he was told would help him readjust as he came to terms with the new life he found so overwhelming. Ben reached out.

Whilst he immediately presented as competent and creative in the workshop, his ongoing challenges made the rest of Ben's life a constant battle: he felt constantly paranoid that people were staring at him; the sound of a bus idling on the street corner was enough to make him turn around and go home; the prospect of visiting a new place or encountering a busy environment was overwhelming. He needed a place to belong and a place where he knew he was accepted.

"...HELPING ME TO DEAL WITH MY SOCIAL ANXIETY..."

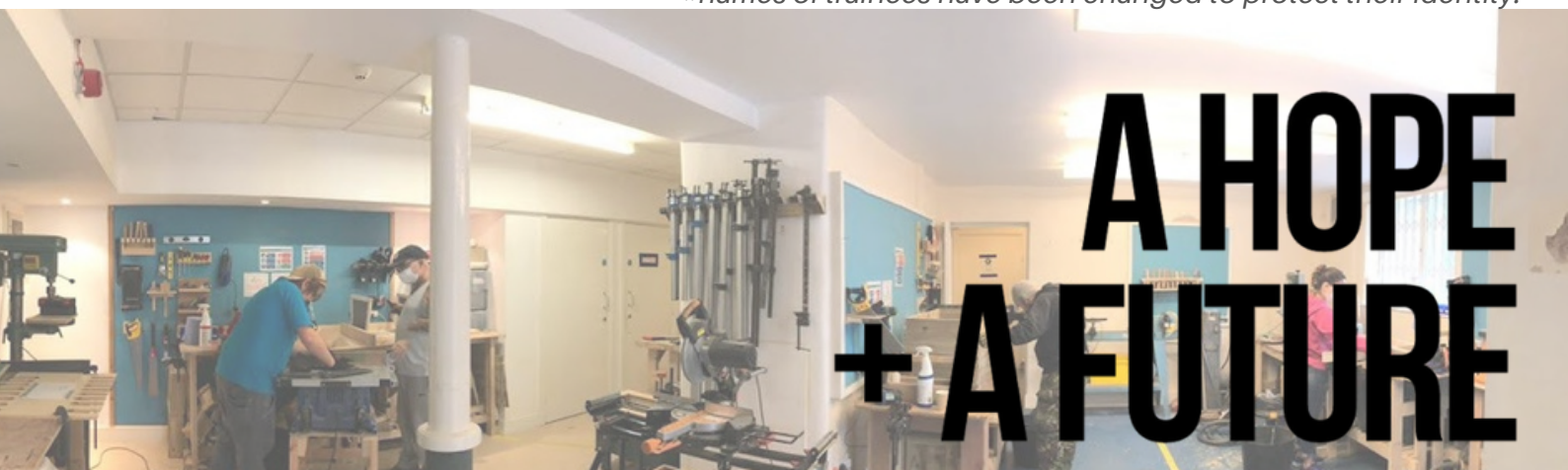
As he persevered and continued to attend the workshop, Ben found that the time and space which he found at the Gateshead Hub was impacting the rest of his life. He wrote that, 'It gets me out of the house, I'm meeting friendly people ... I'm learning new skills ... helping me to deal with my social anxiety.'

Ben has found a safe place in the Gateshead hub. He volunteers to help with jobs in the workshop. He talks to and laughs with other trainees. He has cooked meals for vulnerable trainees and residents during lockdown, and in spite of his ongoing battles, Ben is beginning to find the confidence and a context to re-engage with his naturally generous and kind character.

"...CHANGE MY LIFE..."

He said, 'Whilst I still have dark moments, for the most part they have been less intense. And I remember that, as hard as these times are, it took me to be in a very dark place to reach out and give me the motivation to try and change my life for the better.'

⁎names of trainees have been changed to protect their identity.



TRUSTEES' ANNUAL REPORT CONT.

NEW PARTNERSHIPS

In the autumn, we formed a partnership with Durham Winter Night Shelter, who provide emergency rough sleeping provision when the temperature drops. The shelter found a fixed space in St Nic's Youth Centre in Durham town centre but needed to ensure that this accommodation did not put their guests at risk from Covid-19.

We worked with them to develop six individual 'pods' which meant each guest had their own private room to sleep in. These pods were designed and built in our Durham workshop, with the help of two of our trainees who had previously been rough sleepers and had accessed the Night Shelter's services. These trainees now have stable housing, and they enjoyed the opportunity to give back to both organisations which had helped them in the past.

NEW ENTERPRISES

The autumn also saw the launch of our enterprises in each of our hubs. In Durham, we began to introduce screen-printing garments into our offer of activities. This enabled us to launch a 'wear and share' campaign, where ethical, fairwear hoodies were handprinted with our logo and the message of 'A Hope and A Future'. These hoodies completely sold out and this enabled us to gift 150 trainees and residents a high-quality, hand-printed hoodie for Christmas.

We hope to expand this screen-printing enterprise into 2021 and begin to take custom screen-printing orders from other organisations, in order to offer an ethical alternative to other screen-printing enterprises.

In Chester-le-Street, as part of our ongoing partnership with Re-f-use cafe, our trainees got involved in our 'Rubbish Pickles' production. The team made a great variety of pickles, chutneys and jams, as well as gift boxes made from reclaimed wood.

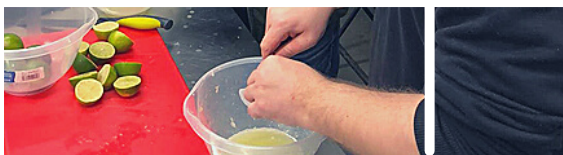
26 PEOPLE BACK INTO WORK OR VOLUNTEERING

TRUSTEES' ANNUAL REPORT CONT.

CARE-LEAVERS

Throughout 2020, we have expanded our work with care-leavers through the meal deliveries, remote support and supported housing. Joe joined the team as our Care-Leavers' Co-Ordinator, organising the holistic support for care-leavers and working with Young People's Advisor's to connect more care-leavers with our services. By December, 9 of our residents were care-leavers 100% of these individuals were not relapsing or reoffending.

At Christmas, we ran a project delivering Christmas gift boxes to care-leavers, with fun gifts as well as items which help with self-soothing.



SECOND LOCKDOWN

As the second lockdown was announced, we knew we wanted to take the lessons learnt from earlier in the year and improve on the delivery of our wraparound support under tighter restrictions. We paused our gathered activities and identified individuals with the most urgent needs and planned how we could best support them.

For some this meant attending the workshop in a smaller group for one session a week. In Chester-le-Street, the trainees enjoyed helping to give back to the community by making sweet treats such as scones and biscuits for staff to deliver to other trainees and residents at home. We delivered food and craft activities to people at home, and this offered an opportunity to continue to support those who had been attending the workshops.

By the end of November, we had more than doubled our monthly support visits to 338 visits in one month.

100% OF TRAINEES NOT REOFFENDING

TRUSTEES' ANNUAL REPORT CONT.

WINNING NEW TRAINING CONTRACTS

We have been fortunate to secure training contracts across all of our hubs, to deliver training to vulnerable, unemployed or inactive adults in carpentry and catering. These have enabled us to help trainees grow their confidence and skills and remove barriers to employment.

Through this funding we have offered holistic support both in the workshops and at home, engaging with each individual's needs and empowering them to make positive steps to improve their mental health, build their CVs and stabilise their lives.

WINNING EXCELLENCE AWARDS

We are delighted to announce that our housing project won the Homeless Link Excellence Award for Social Enterprise of the year! This is authentic recognition for the work that some of our residents have done throughout the year in creating a better life for themselves and others, turning derelict houses into quality homes.

MEETING THE HOUSING DEMAND

By the end of 2020, we had 24 houses, with 30 residents. We also were able to purchase two more houses which has helped us to build some more financial sustainability for the future. Both have become a home to people in need and our new residents are empowered to renovate, decorate or make furniture to give them a real sense of ownership. We are continuing to grow and we expect to be able to house more people in 2021.

24 HOUSES

30 RESIDENTS

TRUSTEES' ANNUAL REPORT CONT.

SHOLA AMEOBI BECOMES PATRON

The Newcastle United star Shola Ameobi has been appointed as the patron of Handcrafted, having supported us for a number of years. He was drawn to Handcrafted because we engage with individuals who have experienced real setbacks, to offer the practical training, support and housing that can empower them to turn their lives around.

"I got through some of my low points because of I had a community of people who believed in me and who always gave me a second chance when I slipped up," he explains, "and so I want to help people who have had some of the hardest starts and the biggest setbacks to get back on their feet."

"I think what's really beautiful about Handcrafted is that they use what is already available to the trainees and don't try and shoehorn anyone into boxes. They help individuals see their potential and show them that they are valued. And then they use resources like food that would go to waste and wood that has been reclaimed and make valuable things out of that, too."

"Being a black man, and a black kid in Newcastle, growing up I was always told: 'You're not this', or 'You're not that.' But that's created a resilience in me. Adversity moulds us into who we are and we can use that in a positive way, that's what I'm trying to teach my young kids. And that's what Handcrafted are trying to do too."

FUTURE PLANS TO KEEP GROWING AND DEVELOPING

Under the government's kickstart scheme for SMEs, we will be able to offer 6-month work placements to individuals who are ages between 16-24 and currently on Universal Credit. These individuals will be offered placements across our hubs such as working on our enterprises and our housing renovations.

We are continuing to develop the hubs into 2021, expanding our housing and support provision, with a particular focus of Covid-19 recovery in our community. We will work in line with government guidance to re-open our workshops to full capacity, and with this we aim to expand our women's provision. Not only will this provide opportunity for vulnerable women to engage in a range of activities including carpentry, cookery and crafts, but will also provide opportunities for peer support in a safe and welcoming environment.

FINANCIAL REVIEW

Incoming Resources totaled £712,293 and expenditure was £579,328. The movement in funds arising in this financial period was a net surplus of £132,965 – which left unrestricted funds of £94,405 at 31st December 2020.

RESERVES POLICY

The trustees aim to keep sufficient working reserves to cover at least two months of committed expenditure. At 31st December 2020, unrestricted reserves were £94,405, which is sufficient to cover three months of committed expenditure including Wages and Salaries, Social Security, Pension Contributions, Rent & Rates, Insurance and Loan Repayments.

The trustees have put in place a detailed action plan to sustain the level of reserves at between two and four months of committed expenditure. This will be achieved by maintaining revenue streams from property renovation and rental, and developing new revenue streams from enterprise projects and delivering accredited qualifications.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the Directors for the purposes of company law, are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and UK Accounting Standards.

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 period. 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;
- 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 proper 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. The Trustees 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.

SMALL COMPANIES' PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

Daniel Northover, Trustee, 21st June 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HANDCRAFTED PROJECTS

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st December 2020, which are set out on pages 17 to 23.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act").In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants of England and Wales

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have 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 accounts to be reached.

Sam Clarke ACA
Independent Examiner
Date: 21st June 2021

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

	Note	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME FROM:					
Grants and donations	2	206,222	175,277	381,499	251,488
Charitable activities		330,794	-	330,794	181,292
Total		**537,016**	**175,277**	**712,293**	**432,780**
EXPENDITURE ON:					
Charitable activities	3	(429,965)	(136,406)	(566,371)	(441,580)
Interest Payable		(12,957)	-	(12,957)	(7,795)
Total		**(442,922)**	**(136,406)**	**(579,328)**	**(449,375)**
Net income/(expenditure)		**94,094**	**38,871**	**132,965**	**(16,595)**
Transfers between funds		-	-	-	-
Net movement in Funds		**94,094**	**38,871**	**132,965**	**(16,595)**
RECONCILIATION OF FUNDS					
Total funds brought forward		311	5,606	5,917	22,512
Total funds carried forward		**94,405**	**44,477**	**138,882**	**5,917**

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 19 to 23 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible fixed assets	5		239,167		151,097
Current assets					
Debtors	6	30,197		18,553	
Cash at bank and in hand		98,740		8,904	
		128,937		**27,457**	
Creditors: Amounts falling due within one year	7	(48,617)		(31,448)	
Net current assets			80,320		(3,991)
Total assets less current liabilities			**319,487**		**147,106**
Creditors: Amounts falling due after one year	8		(180,605)		(141,189)
Total net assets or liabilities			**138,882**		**5,917**
Funds					
Restricted funds	9		44,477		5,606
Unrestricted funds			94,405		311
Total funds			**138,882**		**5,917**

The notes on pages 19 to 23 form part of these financial statements.
The trustees are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.
The trustees acknowledge their responsibilities for:
1)ensuring that the company keeps adequate accounting records which comply with section 386 of the Act; and
2)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 of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.
These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008). These financial statements were approved by the members of the committee on 21st June 2021 and are signed on their behalf by:

Dan Northover, Trustee, 21st June 2021

NOTES TO THE FINANCIAL STATEMENTS

1.ACCOUNT POLICIES

Basis of accounting
These financial statements are prepared on a going concern basis, under the historic cost convention, and in compliance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") Section 1A - Small Entities and applicable standards in the UK. The principal accounting policies, which have been applied consistently throughout the year, are set out below.
As a small entity, the charity has taken advantage of the exemption available to it under FRS 102 Section 1A – Small Entities whereby it is not required to publish its statement of cash flows.
The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

Incoming resources
Voluntary income comprises donations and grants where no goods or services are expected in return. The income is recognised on a receivable basis in the relevant fund.

Incoming resources from charitable activities comprises grants given to the charity in exchange for particular goods or services. Income is recognised as the charity earns the right to the consideration by its performance of the service. Where income is received in advance of performance its- recognition is deferred and included in creditors. Where entitlement occurs before income is received the income is accrued.

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

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Fund accounting
Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Fixed assets
Purchased assets with a useful economic life and initial cost exceeding £100 are capitalised. All other purchased assets are expensed. All fixed assets are initially recorded at cost.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:
Equipment - 10% to 33% straight line per annum
Property - 2% straight line per annum

NOTES TO THE FINANCIAL STATEMENTS

2. VOLUNTARY INCOME

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Donations				
Donations – gift aided	30,531	-	30,531	13,216
Donations – not gift aided	12,652	-	12,652	8,950
Gift aid recovered	289	-	289	3,304
Grants	162,750	175,277	338,027	226,018
Total voluntary income	**206,222**	**175,277**	**381,499**	**251,488**

3. COSTS OF CHARITABLE ACTIVITIES

	Note	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Wages and salaries	4	116,122	93,434	209,556	171,688
Social security		11,404	-	11,404	12,586
Pension Contributions		7,281	-	7,281	4,621
Rent & Rates		98,969	5,893	104,862	99,723
Contracted out services		78,509	9,000	87,509	59,339
Equipment		2,831	-	2,831	2,463
Materials		56,075	16,486	72,561	31,421
Protective Clothing		273	-	273	263
Insurance		7,349	612	7,961	3,779
Utilities		19,697	-	19,697	12,728
Travel & Subsistence		598	9,506	10,104	25,479
Furnishings		1,048	-	1,048	1,583
Printing & Stationery		1,215	-	1,215	589
Training		299	-	299	529
Depreciation		17,471	-	17,471	11,897
Sundry expenses		10,824	1,475	12,299	2,892
Total		**429,965**	**136,406**	**566,371**	**441,580**

NOTES TO THE FINANCIAL STATEMENTS

4. STAFF COSTS AND EMOLULMENTS

	2020 £	2019 £
Wages and salaries	209,556	171,688
Social security	11,404	12,586
Pension	7,281	4,621
Total staff costs and emoluments	**228,241**	**188,895**

	2020 Number	2019 Number
Project workers	10	8
Administrative	1	1
Total average number of staff	**11**	**9**

5. TANGIBLE FIXED ASSETS

	Equipment £	Land & Buildings £	Total £
Cost			
At 1 January 2020	69,230	119,625	188,855
Additions	20,838	84,703	105,541
At 31 December 2020	**90,068**	**204,328**	**294,396**
Depreciation			
At 1 January 2020	35,368	2,390	37,758
Charge for the year	13,380	4,091	17,471
At 31 December 2020	**48,748**	**6,481**	**55,229**
Net book value			
At 31 December 2020	**41,320**	**197,847**	**239,167**
At 31 December 2019	33,862	117,235	151,097

NOTES TO THE FINANCIAL STATEMENTS

6. DEBTORS

	2020	2019
	£	£
Gift aid recoverable	481	192
Trade debtors	29,716	18,361
Total	**30,197**	**18,553**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	8,655	19,879
Concessionary Loans	39,962	7,436
Other taxation & social security	-	4,133
Total	**48,617**	**31,448**

8. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2020	2019
	£	£
Concessionary Loans due in 1-2 years	43,125	38,848
Concessionary Loans due in 2-5 years	44,700	81,216
Concessionary Loans due in over 5 years	92,780	21,125
Total	**180,605**	**141,189**

NOTES TO THE FINANCIAL STATEMENTS

9. RESTRICTED FUNDS

	Balance at 1 Jan 2020	Incoming resources	Outgoing resources	Balance at 31 Dec 2020
	£	£	£	£
Morrisons Foundation	2,316	-	(2,316)	-
Virgin Money Foundation	3,290	-	(3,290)	-
Covid 19 Assistance Fund	-	34,805	(34,805)	-
Jill Franklin Trust	-	15,508	(15,508)	-
County Durham Community Foundation	-	21,739	(16,587)	5,152
Crisis	-	4,956	(4,956)	-
Social Investment Business	-	15,000	(9,000)	6,000
Homeless Link	-	44,433	(11,108)	33,325
Joicey Trust	-	4,500	(4,500)	-
Community Foundation	-	1,111	(1,111)	-
Rank Foundation	-	700	(700)	-
The Middleton Foundation	-	1,875	(1,875)	-
The Trusthouse Charitable Foundation	-	20,000	(20,000)	-
Barbour Foundation	-	5,000	(5,000)	-
Help the Homeless	-	650	(650)	-
The Screwfix Foundation	-	5,000	(5,000)	-
Total restricted funds	**5,606**	**175,277**	**(136,406)**	**44,477**

10. RELATED PARTY TRANSACTIONS

From 13th April 2018 the charity has a four-year lease on a two-bed property that is owned by Daniel and Abigail Northover. The property is used to provide supported accommodation to the beneficiaries of the charity. The lease is at a peppercorn rate of £1 per annum to ensure there is no financial benefit derived by Daniel Northover as a trustee of the charity.

From 11th October 2020 the charity has a four-year lease on a one-bed property that is owned by Janet and Graham Buttanshaw, parents of Mark Buttanshaw. The property is used to provide supported accommodation to the beneficiaries of the charity. The lease is at a below market rate of £2,400 per annum.

This is in accordance with the Articles of Association and advice sought from the Charity Commission.

No other trustees received any remuneration in the year or any reimbursement of expenses incurred in carrying out their duties (2019: none).