

Pennine Magpie

Charity number 1147911

A company limited by guarantee number 04498986

Annual Report and Financial Statements **for the year ended 31 December 2020**



West Yorkshire Community Accounting Service

Annual Report and Financial Statements
for the year ended 31 December 2020

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Pennine Magpie

Trustees' report for the year ended 31 December 2020

Reference and administrative details of the charity, its trustees and advisors

The trustees during the financial year and up to and including the date the report was approved were:

Name	Position	Dates
John Platt	Chair	
Rachel Bielby		Resigned March 2021
Andrew Hutchinson		Resigned July 2020
Jo Core		Appointed February 2020
Nicola Abel		Appointed February 2020
John West	Treasurer	Appointed July 2020
Charity number	1147911	Registered in England and Wales
Company number	04498986	Registered in England and Wales

Registered and principal address

Unit 15 Calderdale Business Park
Club Lane
Halifax
HX2 5DB

Bankers

National Westminster	Shawbrook Bank Limited	The Charity Bank Limited
8 Market Place	Lutea House	Fosse House
Huddersfield	Warley Hill Business Park	182 High Street
HD1 2AL	Great Warley	Tonbridge
	Brentwood	TN9 1BE
	CM13 3BE	

Independent examiner

Helen Galvin FCCA

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Structure, governance and management

The charity is a company limited by guarantee and was formed on 30 July 2002. It is governed by a memorandum and articles of association, as amended by special resolutions on 8 November 2011 and 8 March 2012. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £10.

Method of recruitment and appointment of trustees

The Board consists of a minimum of 3 trustees with no maximum. One third of all trustees (on a rotational basis - longest serving deemed to retire first) who have held office since the last Annual General Meeting (AGM), plus all new appointments retire at the next AGM. Retiring trustees are eligible for re-appointment.

New trustees are recommended for appointment by the existing trustees. Membership of Pennine Magpie is open to any individual or organisation provided that, in the opinion of the board, they do not present a conflict to the best interests of the Charity.

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Trustees' report (continued) for the year ended 31 December 2020

Objectives and activities

The charity's objects

The objects of the company are to relieve the needs of young people and adults with special learning needs through the provision of training, personal development activities and support services to provide the skills, confidence and infrastructure necessary for them to live a more independent and fulfilling life within the community.

The charity's main activities

The Charity is established to benefit young people and adults with special needs. This is achieved by the provision of training and other facilities to enable such persons to acquire skills, confidence and the infrastructure necessary for them to live a more independent and fulfilling life within the community. There have been no material changes in the objectives or policies of the Charity during the year.

Public benefit statement

The trustees have complied with the duty in Sec 17(5) of the Charities Act 2011 to have due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. The charitable activity focuses on supporting all young people and adults to further the charitable purpose for public benefit.

Achievements and performance

2020 has been a difficult year. We were forced to close on 23rd March and were only able to reopen on the 18th September. We did anticipate the closure and set up a Facebook page prior to the lockdown to enable us to offer online support sessions from day 1. Despite the difficulties of the lockdown and working from home the staff developed quality online sessions which became the benchmark for other providers across Calderdale. Our members were contacted at least weekly to check that they were ok and offered support and guidance when they were finding things difficult.

When reopening in September, we had to work in a completely different way. We could not offer a twice daily choice of sessions. Small bubbles of 5 members had to stay in the same room with the same member of staff. We went over and above with regards to Covid-19 security with social distancing and face coverings being mandatory as well as a strict bubble system and increased hygiene. Both members and staff embraced this and it had the impact we desired with only 3 Covid-19 positive cases recorded and none of these were caught or transmitted within the organisation.

Covid-19 secure working has meant that many developments have been delayed and this has had an impact on the projected growth and income. We did manage to consult and develop our new brand during the lockdown, and launch it on 1st February 2021. This will play an integral part of the recovery and growth plan.

Financial review

The net expenditure for the year was £19,918 which was all on unrestricted funds.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £897,668.

The trustees have allocated reserves of between 3 and 6 months running costs (Approx. £150k and £300k) and £650k for the building fund.

Pennine Magpie

Trustees' report (continued) for the year ended 31 December 2020

Coronavirus impact statement

Covid-19 did have a negative impact on our income towards the end of 2020 and we expect this to continue until June 2021. We do feel, at this point, that we will be able to make a full recovery by December 2022.

At the time of signing these accounts the charity has been impacted by the global Covid-19 virus as detailed above and in the achievements and performance. The trustees have reassessed the charity's ability to continue for at least 12 months from the date that the accounts are approved and conclude that no material uncertainties exist that cast significant doubt on the charity's ability to continue as a going concern.

Pennine Magpie

Trustees' report (continued) for the year ended 31 December 2020

Statement of trustees' responsibilities

The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustees report and the financial statements in accordance with the applicable law and UK Accounting Standards.

Company law requires the trustees to prepare financial accounts 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 the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the accounts on a 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102)), and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Signed on behalf of the board of trustees on 26/07/2021

John Platt (Trustee)

Pennine Magpie

Independent examiner's report to the trustees of Pennine Magpie

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 December 2020, which are set out on pages 7 to 15.

Responsibilities and basis of report

As the charity's trustees of the charitable company (and also its directors 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 charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act ('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

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act.

I confirm that I am qualified to undertake the examination because I am a member of ACCA which is one of the listed bodies.

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

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

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

Signed:  Name: Helen Galvin FCCA

26/07/2021

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Pennine Magpie

Statement of Financial Activities

(including summary income and expenditure account)

for the year ended 31 December 2020

	Notes	2020 Unrestricted funds £	2020 Designated funds £	2020 Total funds £	2019 Total funds £
Income from:					
Donations	(2)	2,520	-	2,520	1,452
Charitable activities	(3)	530,507	-	530,507	557,952
Fundraising		171	-	171	238
Bank interest		14,102	-	14,102	3,013
Total income		<u>547,300</u>	<u>-</u>	<u>547,300</u>	<u>562,655</u>
Expenditure on:					
Charitable activities	(4)	<u>567,218</u>	<u>-</u>	<u>567,218</u>	<u>617,847</u>
Total expenditure		<u>567,218</u>	<u>-</u>	<u>567,218</u>	<u>617,847</u>
Net (expenditure)		<u>(19,918)</u>	<u>-</u>	<u>(19,918)</u>	<u>(55,192)</u>
Net movement in funds		<u>(19,918)</u>	<u>-</u>	<u>(19,918)</u>	<u>(55,192)</u>
Fund balances brought forward		<u>279,643</u>	<u>650,000</u>	<u>929,643</u>	<u>984,835</u>
Fund balances carried forward	(5)	<u>259,725</u>	<u>650,000</u>	<u>909,725</u>	<u>929,643</u>

All incoming resources and resources expended derive from continuing activities.

Pennine Magpie
Balance sheet
as at 31 December 2020

	2020	2020	2020	2019
	Unrestricted	Designated	Total	Total
	£	£	£	£
Fixed assets				
Tangible assets	(6) 12,057	-	12,057	26,346
Total fixed assets	<u>12,057</u>	<u>-</u>	<u>12,057</u>	<u>26,346</u>
Current assets				
Debtors and prepayments	(7) 81,721		81,721	47,201
Cash at bank and in hand	(8) 191,133	650,000	841,133	876,203
Total current assets	<u>272,854</u>	<u>650,000</u>	<u>922,854</u>	<u>923,404</u>
Current liabilities:				
amounts falling due within one year				
Creditors and accruals	(9) 25,186	-	25,186	20,107
Total current liabilities	<u>25,186</u>	<u>-</u>	<u>25,186</u>	<u>20,107</u>
Net current assets	<u>247,668</u>	<u>650,000</u>	<u>897,668</u>	<u>903,297</u>
Total assets less current liabilities	<u>259,725</u>	<u>650,000</u>	<u>909,725</u>	<u>929,643</u>
Net assets	<u>259,725</u>	<u>650,000</u>	<u>909,725</u>	<u>929,643</u>
Funds				
Unrestricted funds	259,725	-	259,725	279,643
Designated funds	-	650,000	650,000	650,000
Total funds	<u>259,725</u>	<u>650,000</u>	<u>909,725</u>	<u>929,643</u>

For the year ending 31 December 2020 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The trustees (who also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with FRS 102 (effective January 2019).

The financial statements were approved by the board of trustees on 26/07/2021

John Platt (Trustee)

Pennine Magpie
Statement of cash flows
for the year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	<u>(49,172)</u>	<u>7,203</u>
Cash flows from investing activities:		
Dividends and interest	14,102	3,013
Purchase of tangible fixed assets	-	2,823
Net cash provided by (used in) investing activities	<u>14,102</u>	<u>5,836</u>
Change in cash and cash equivalents in the reporting period	(35,070)	7,394
Cash and cash equivalents at the beginning of the reporting period	<u>876,203</u>	<u>868,809</u>
Cash and cash equivalents at the end of the reporting period	<u>841,133</u>	<u>876,203</u>
Reconciliation of net movement in funds to net cash flow from operating activities		
	2020 £	2019 £
Net movement in funds for the reporting period (as per the statement of financial activities)	(19,918)	(55,192)
Adjustments for:		
Depreciation charges	14,289	25,749
Other interest receivable and similar income	(14,102)	(3,013)
(Increase) / decrease in debtors and prepayments	(34,520)	36,483
Increase / (decrease) in creditors and accruals	5,079	3,176
Net cash provided by (used in) operating activities	<u>(49,172)</u>	<u>7,203</u>
Analysis of cash and cash equivalents		
	2020 £	2019 £
Cash in hand	392	460
Notice deposits (less than 30 days)	<u>840,741</u>	<u>875,743</u>
Total cash and cash equivalents	<u>841,133</u>	<u>876,203</u>

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Notes to the accounts

for the year ended 31 December 2020

1 Accounting policies

Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

There has been no change to the accounting policies since last year.

No changes have been made to the accounts for previous years.

Going concern

The trustees are satisfied that there are no material uncertainties about the charity's ability to continue.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, it is more likely than not that the trustees will receive the resources and the monetary value can be measured with sufficient reliability.

Grants and donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Where grants are related to performance and specific deliverables, they are accounted for as the charity earns the right to consideration by its performance.

Donated goods for resale are valued at the amount actually realised upon their sale.

Donated assets, facilities or services are valued at their estimated value to the charity. This is the price that the charity estimates it would pay in the open market for equivalent items; or services and facilities of equivalent utility to the charity.

Expenditure and liabilities

Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out the resources and the amount of the obligation can be measured with reasonable certainty.

Taxation

As a charity the organisation benefits from rates relief and is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Pennine Magpie

Notes to the accounts

for the year ended 31 December 2020

1 Accounting policies continued

Tangible fixed assets

Tangible fixed assets costing more than £750 are capitalised and included at cost including any incidental expenses of acquisition. Gifted assets are shown at the value to the charity on receipt. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Fixtures and fittings: over 5 years

Computer equipment: over 5 years

Motor vehicles: over 10 years

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are recognised in the year they are payable.

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.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Pennine Magpie
Notes to the accounts continued
for the year ended 31 December 2020

2 Donations	2020	2019
	Total	Total
	funds	funds
	£	£
General donations	<u>2,520</u>	<u>1,452</u>
3 Charitable activities	2020	2019
	Total	Total
	funds	funds
	£	£
Support services	521,092	533,901
Out of hours support	7,652	14,204
Kitchen and tuckshop	1,545	8,796
Garden produce sales	-	503
Student events	<u>218</u>	<u>548</u>
	<u>530,507</u>	<u>557,952</u>

Pennine Magpie
Notes to the accounts continued
for the year ended 31 December 2020

4 Charitable activities		2020	2019
		Total funds	Total funds
		£	£
Salaries	(4a)	411,410	446,069
Payroll, pension and life assurance charges		1,213	1,228
Staff support costs		163	313
Rent		50,385	45,832
Light and heat		9,334	10,780
Insurance		4,409	4,222
Repairs and maintenance		3,165	5,608
Telephone and internet		4,064	3,386
IT support, software and website		12,128	9,965
Depreciation		14,289	25,749
Student events and expenses		266	2,521
Training and development		4,985	8,508
Kitchen and tuckshop		1,706	7,226
Motor vehicle expenses		4,754	7,568
Printing, postage and stationery		2,556	3,176
Purchases		4,110	2,560
DBS checks		138	378
Sundry expenses		875	-
Access hospitality project		-	6,600
Membership and subscriptions		3,825	3,883
Advertising and rebranding		16,773	1,666
Independent examination and accountancy		1,800	1,800
Legal and professional fees		970	895
Bank charges		622	807
Governance		13	302
Equipment rental		3,480	3,697
Equipment purchases		6,061	4,552
Refreshments and Christmas party		162	2,591
Travel expenses		1,894	4,718
Garden construction		10	423
Health and safety		1,658	824
		<u>567,218</u>	<u>617,847</u>

Pennine Magpie
Notes to the accounts continued
for the year ended 31 December 2020

4a Staff costs and numbers	2020	2019
	£	£
Gross salaries	375,027	405,016
Social security costs	29,225	31,787
Employment allowance	(4,000)	(3,000)
Pensions	11,158	12,266
	<u>411,410</u>	<u>446,069</u>

The average number employees during the year was 18.7, being an average of 15.9 full time equivalent (2019: 21.9, 16.4 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2020	2019
	£	£
Costs of the scheme to the charity for the year	11,158	12,266
Amount of any contributions outstanding at the year end	-	2,235

5 Designated funds	Balance b/f	Incoming	Outgoing	Balance c/f
	£	£	£	£
	650,000	-	-	650,000
	<u>650,000</u>	<u>-</u>	<u>-</u>	<u>650,000</u>

Purpose of restriction
To purchase a building

6 Tangible assets	Leasehold improvements	Computer equipment	Motor vehicles	Furniture and fixtures	Total
			£	£	£
Cost					
At 1 January 2020	94,526	27,042	78,142	117,174	316,884
Additions	-	-	-	-	-
At 31 December 2020	<u>94,526</u>	<u>27,042</u>	<u>78,142</u>	<u>117,174</u>	<u>316,884</u>
Depreciation					
At 1 January 2020	94,526	19,827	68,134	108,051	290,538
Charge for year	-	4,385	4,512	5,392	14,289
At 31 December 2020	<u>94,526</u>	<u>24,212</u>	<u>72,646</u>	<u>113,443</u>	<u>304,827</u>
Net book value					
At 31 December 2020	<u>-</u>	<u>2,830</u>	<u>5,496</u>	<u>3,731</u>	<u>12,057</u>
At 31 December 2019	<u>-</u>	<u>7,215</u>	<u>10,008</u>	<u>9,123</u>	<u>26,346</u>

Pennine Magpie
Notes to the accounts continued
for the year ended 31 December 2020

7 Debtors and prepayments	2020	2019
	£	£
Debtors	74,926	43,069
Prepayments	6,795	4,132
	<u>81,721</u>	<u>47,201</u>

8 Cash at bank and in hand	2020	2019
	£	£
Current account	67,986	73,190
Reserve and savings accounts	772,755	802,553
Cash in hand	392	460
	<u>841,133</u>	<u>876,203</u>

9 Creditors and accruals	2020	2019
	£	£
Creditors	23,386	18,307
Accruals	1,800	1,800
	<u>25,186</u>	<u>20,107</u>

10 Related party transactions

During the year no trustees were paid any expense (previous year: 1 trustee was paid £162 in respect of travel).

Trustee remuneration and benefits

No trustee received any remuneration or benefit during this or the previous year.

11 Operating leases

Expected future minimum lease payments over the remaining life of the lease, analysed into the period in which the commitment falls due:	Rent	Equipment
	£	£
Within one year	11,640	3,346
In the second to fifth years inclusive	-	6,690
Over five years from the balance sheet date	-	-
	<u>11,640</u>	<u>10,036</u>