

PATCHWORK PROJECT
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 May 2015

Company Registration Number 08510835
Registered Charity Number 1157186

PATCHWORK PROJECT

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ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 May 2015

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PATCHWORK PROJECT

Trustees report for the year ended 31 May 2015

The trustees have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31 May 2015.

Reference and administrative details

Registered charity name	Patchwork Project
Company number	8510835
Charity number	1157186
Address	83 Adelaide Terrace Benwell Newcastle upon Tyne NE4 8BB
Trustees	John Pattison - Chair Carol Hunter - Treasurer Mary Shearer - Secretary Ian Weightman Carole Pattison Michael Elder Ashley Alward Graham Chapman Julie Galloway

Structure, Governance and Management

The Charity is governed by a constitution adopted 30 April 2013.

Trustees are elected by members at the AGM.

Safeguarding, induction and training are provided for new staff and trustees and all are CRB checked. Safeguarding policies are in place.

Patchwork Project is a member of the Neighbourhood Youth Projects that are responsible for the delivery of all neighbourhood based work in the city. They meet regularly and where appropriate act as a body to influence decision making and access funding.

Patchwork Project meet and liaise with a variety of local agencies in order to inform decision making and share information at a more local level.

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 May 2015

I report on the financial statements of name of Patchwork Projects for the year ended 31 Mar 2015, which are set out on pages {5 to 13}

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for the year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met ; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Douglas Maltman
Ellison Services Limited
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date 18.01.2016

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STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING THE INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 May 2015

	Note	Unrestricted Funds £	Restricted Funds £	Total 2015 £
<u>Incoming resources</u>				
From generated funds				
Voluntary income	4	1,245	-	1,245
Grants and donations	5	63,700	137,218	200,918
Activities for generating funds	6	6,572	215	6,787
Total incoming resources		71,517	137,433	208,950
<u>Resources expended</u>				
Cost of generating funds				
Charitable activities	7	29,842	142,503	172,345
Governance costs	8	1,115	337	1,452
Other resources expended	9	320	153	473
Total resources expended		31,277	142,993	174,270
Net income/(expenditure) for the year		40,240	(5,560)	34,680
<u>Exceptional item brought forward</u>	3	10,990	5,560	16,550
Total funds carried forward		51,230	-	51,230

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

The notes on pages 7 to 13 form an integral part of these accounts.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2015

1 Basis of preparation

- (a) These financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part 15 of the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (FRSSE) (effective April 2008) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

2 Accounting policies

INCOMING RESOURCES

2.1 Form of financial statements

- (a) Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- (b) Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal

2.2 Incoming resources

- (a) These are included in the Statement of Financial Activities (SoFA) when:
the charity becomes entitled to the resources;
the trustees are virtually certain they will receive the resources; and
the monetary value can be measured with sufficient reliability.
- (b) Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.
- (c) Bank interest is recognised when it is credited to the account

EXPENDITURE AND LIABILITIES

2.3 Liability recognition

- (a) Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

2.4 Governance costs

- (a) Include costs of the preparation and examination of statutory accounts, the cost of trustee meetings and cost of any legal advice to the trustees on governance or constitutional matters

ASSETS

2.5 Tangible fixed assets for use by the charity

- (a) Fixed Assets are stated at cost less accumulated depreciation, the costs of minor additions or those costing below £250 are not capitalised. Depreciation is provided at rates calculated to write of the cost of each asset over its expected useful life which is estimated as follows:

Office furniture	-20%	straight line
Office and computer equipment	-25%	straight line
Additions to leasehold property	-	Over life of lease

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2015

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
3 Exceptional item			
Transfer	10,990	5,560	16,550
	<u>10,990</u>	<u>5,560</u>	<u>16,550</u>

As at 1 June 2014 the assets of Benwell Young People's Development Group charity number 1086704 were transferred to Patchwork Project.

Analysis of incoming resources

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
4 Voluntary income			
Donations	1,245	-	1,245
	<u>1,245</u>	<u>-</u>	<u>1,245</u>
5 Grants and donations			
Ballinger Charitable Fund	20,000	-	20,000
BBC Children in Need	-	8,540	8,540
Community Foundation			
- Sage	-	4,492	4,492
- David Dockray	-	1,856	1,856
- P&G Fund	-	2,500	2,500
- John D Fund	-	1,521	1,521
Newcastle City Council Grant	33,700	700	34,400
Durham University	4,500	-	4,500
European Social Fund	-	13,633	13,633
Garfield Weston Fund	-	15,000	15,000
Hospital of God	1,000	-	1,000
BIG Lottery Grant	-	9,858	9,858
Sherburn Charitable Funds	2,000	-	2,000
Social Investment Business	-	73,280	73,280
St Hildas Trust	2,500	-	2,500
Newcastle City Council - Ward Committee	-	5,838	5,838
	<u>63,700</u>	<u>137,218</u>	<u>200,918</u>
6 Other income			
Misc. income	6,572	215	6,787
	<u>6,572</u>	<u>215</u>	<u>6,787</u>

Included in Misc. income is an amount of £6,787 for Employer pension reimbursement.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2015

Analysis of resources expended

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
7 Charitable activities			
<u>Direct costs</u>			
Salaries and Pensions	-	97,551	97,551
Payroll Fees	609	98	707
Staff Costs	831	896	1,727
Consultancy	-	24,409	24,409
Vehicle Running Costs	4,767	2,010	6,777
Activities	5,300	5,566	10,866
Young Peoples Courses	93	1,310	1,403
Refreshments	157	480	637
	<u>11,757</u>	<u>132,320</u>	<u>144,077</u>
<u>Support costs</u>			
Insurance	2,889	-	2,889
Rent	4,371	5,200	9,571
Accommodation	-	612	612
Admin.	562	2,277	2,839
Utilities	2,864	996	3,860
Building costs and Maintenance	171	103	274
Communications	1,288	108	1,396
Cleaning and Hospitality	290	255	545
Equipment	545	632	1,177
Depreciation	5,105	-	5,105
	<u>18,085</u>	<u>10,183</u>	<u>28,268</u>
8 Governance costs			
Independent examiner's fee	975	-	975
Committee Training	140	337	477
	<u>1,115</u>	<u>337</u>	<u>1,452</u>
9 Other resources expended			
Bank Charges	35	-	35
Misc. expenses	285	153	438
	<u>320</u>	<u>153</u>	<u>473</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2015

10 Trustee expenses

No trustees were paid expenses during the period. (2014 £nil)

	2015 £
11 Fees for examination of the accounts	
Independent examiner's fees for reporting on the accounts	960
Other fees paid to the examiner	722
	<u>1,682</u>

12 Staff costs and emoluments

Gross wages, salaries and benefits in kind	81,005
Employer's National Insurance costs	3,653
Employer's pension costs	12,893
	<u>97,551</u>

No employee received remuneration above £60,000

	2015 Number
13 Average number of full-time equivalent employees for the year	
The parts of the charity in which the employee's work	7.0
Charitable activities	<u>0.0</u>

14 Defined contribution pension scheme

Brief details of the scheme

Up until December 2014 the charity operated a defined contribution pension scheme. The assets of the scheme were held separately from those of the charity in an independently administered fund. When the charity left that pension scheme the pension contributions were still deducted from the employees salary pending setting up a new scheme. The employer's pension costs represent contributions payable by the charity.

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For the year ended 31 May 2015

	Vehicles	Furniture & Equipment	Property Alterations	Total
	£	£	£	£
15 Tangible fixed assets				
Cost				
Balance brought forward	-	-	-	-
Transfer from unincorporated entity	35,499	23,965	26,640	86,104
Additions	-	831	-	831
Balance carried forward	<u>35,499</u>	<u>24,796</u>	<u>26,640</u>	<u>86,935</u>
Depreciation				
Balance brought forward	-	-	-	-
Transfer from unincorporated entity	35,499	23,466	22,200	81,165
Depreciation charge for year	-	665	4,440	5,105
Balance carried forward	<u>35,499</u>	<u>24,131</u>	<u>26,640</u>	<u>86,270</u>
Net book value				
Carried forward	<u>-</u>	<u>665</u>	<u>-</u>	<u>665</u>
16 Debtors and prepayments (receivable within 1 year)		2015		
		£		
Accrued income		10,000		
		<u>10,000</u>		
17 Bank and cash balances		2015		
		£		
Bank current account		92,563		
Cash in hand		55		
		<u>92,618</u>		

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For the year ended 31 May 2015

18 Creditors and accruals (payable within 1 year)

	2015	
	£	
Creditor		
Ellison Holding Account	284	
Accruals		
Independent examination of accounts	960	
Other accruals	5,309	
Deferred income		
Netherton	8,000	-
WO Street	2,000	-
Community Foundation - High Sheriff	2,000	-
Community Foundation - Blackett Family	2,000	-
Newcastle City Grant - DofE	1,500	-
Garfield Weston	15,000	-
Greggs Foundation	15,000	-
	<u>52,053</u>	

19 Movements of major funds

	Transfer from unincorporated entity	Incoming resources	Resources expended	Fund balances carried forward
	£	£	£	£
Restricted fund				
Community Foundation	5,560	-	(5,560)	-
- Sahe	-	4,492	(4,492)	-
- David Dockray	-	1,856	(1,856)	-
- P&G Fund	-	2,500	(2,500)	-
- John D Fund	-	1,521	(1,521)	-
Newcastle City Council Grant				
- D of E	-	88	(88)	-
- EDL	-	612	(612)	-
Newcastle City Council - Ward Committee	-	5,838	(5,838)	-
BBC Children in Need	-	8,540	(8,540)	-
European Social Fund	-	13,848	(13,848)	-
BIG Lottery Fund	-	9,858	(9,858)	-
Garfield Weston	-	15,000	(15,000)	-
Social Investment Business	-	73,280	(73,280)	-
Totals	<u>5,560</u>	<u>137,433</u>	<u>(142,993)</u>	<u>-</u>

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For the year ended 31 May 2015

	Transfer from unincorporated entity	Incoming resources	Resources expended	Fund balances carried forward
	£	£	£	£
Unrestricted fund				
General funds	6,051	71,517	(31,277)	46,291
Designated Funds				
- YOF Improvements	499	-	-	499
- Scotswood Area Strategy	4,440	-	-	4,440
Totals	<u>10,990</u>	<u>71,517</u>	<u>(31,277)</u>	<u>51,230</u>

Purpose of restricted funds

Community Foundation	Funds received for specific projects and/or activities.
Newcastle City Council - DofE	Funds received to cover support costs.
Newcastle City Council - EDL	Funds received towards the cost of charitable activities
Newcastle City Council - Ward Committee	Funds received to cover staff costs and charitable activities within the West End of Newcastle.
BBC Children in Need	Funds received to cover the costs of staff and charitable activities.
Durham County Community	Funds received to cover staff costs.
European Social Fund	Funds received to purchase equipment for charitable activity events.
BIG Lottery Fund	Funds received towards the costs of staff and charitable activities
Social Investment Business	Funds received to cover the costs of Consultancy fees and related staff costs.

20 Company limited by guarantee

(a) The company is limited by guarantee and its governing document is its memorandum and articles of association

(b) The trustees hold no shares in the company but each trustee, as a member, is a guarantor of the company, to an amount not exceeding £1, in the event of the winding up of the company.

21 Capital commitments

(a) At 31 Mar 2015, the charity had no capital commitments (2014 -£nil)

22 Ultimate controlling party

(a) The trustees consider that the charitable company has no other ultimate controlling party other than the board of trustees themselves.