

PATCHWORK PROJECT
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 May 2016

Company Registration Number 08510835
Registered Charity Number 1157186

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ANNUAL REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 May 2016

Contents	Page
Trustees' annual report	1 to 3
Independent examiner's report	4
Statement of Financial Activities (including income and expenditure account)	5
Balance sheet	6
Notes to the financial statements	7 to 13

PATCHWORK PROJECT

(A company limited by guarantee)

Trustees' report

For the year ended 31 May 2016

The trustees have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31 May 2016

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 Andy Roberts Ashley Alward Graham Chapman Chelsea Dixon Phil Buxton

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 are a more local level.

PATCHWORK PROJECT

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 May 2016

I report on the financial statements of Patchwork Project for the year ended 31 May 2016, 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 Charities 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

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

- (1) which gives me reasonable cause to believe that, in any material aspect, 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 Charitieshave 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.

Linda Ellerton-Goldsmith
Business Matters Accounting Services
27 Sandringham Gardens
North Shields
NE29 9AX

PATCHWORK PROJECT

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STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 May 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<u>Incoming resources</u>				
From generated funds				
Voluntary income	4	4,689		
Grants and donations	5	82,974	42,705	125,679
<i>Total incoming resources</i>		<u>87,663</u>	<u>42,705</u>	<u>130,368</u>
<u>Resources expended</u>				
Cost of generating funds				
Charitable activities	7	102,354	45,430	147,784
Governance costs	8	300		
Other resources expended				
<i>Total resources expended</i>		<u>102,654</u>	<u>45,430</u>	<u>148,084</u>
<i>Net income/(expenditure for the year)</i>		(14,991)	(2,725)	(17,716)
<u>Exceptional item brought forward</u>		51,230		51,230
<i>Total funds carried forward</i>				<u>33,514</u>

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.

PATCHWORK PROJECT

(A company limited by guarantee)

Company Registration Number 08510835

BALANCE SHEET

For the year ended 31 May 2016

<u>Fixed assets</u>		£	£
Tangible assets	13		
<i>Total fixed assets</i>			
<u>Current assets</u>			
Debtors and prepayments		2,283	
Cash at bank and in hand	15	77,083	
<i>Total current assets</i>		79,366	
<u>Less:</u>			
<u>Creditors:</u> amounts falling due within one year	16	45,853	
<i>Net current assets</i>		33,513	
<i>Total assets less current liabilities</i>		33,513	
<u>Funds of the charity</u>			
Unrestricted income funds	17	15,079	
Restricted income funds		18,434	
<i>Funds of the charity</i>		33,513	

The trustees are satisfied that the charitable 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:

- (I) ensuring that the charitable company keeps proper accounting records which comply with section 380 of the Act.
- (II) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its surplus or deficit for the financial year in accordance with the requirements of the Act relating to financial statements so far as applicable to the charitable 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).

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

These financial statements were approved by the Board on: 29th November 2016

and are signed on its behalf by: Carol Hunter
Treasurer

A handwritten signature in black ink, appearing to read 'C. Hunter', is positioned to the right of the text 'and are signed on its behalf by: Carol Hunter Treasurer'.

PATCHWORK PROJECT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2016

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; and
 - 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 off the cost of each asset over its expected useful life which is estimated as follows:

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

PATCHWORK PROJECT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2016

3 Exceptional item

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 2016 £
4 Voluntary income			
Donations	3,053		3,053
5 Grants and donations			
Owen Pugh		1,500	1,500
Leaf		16,000	16,000
Port of Tyne		4,992	4,992
Medics		2,296	2,296
Wellsley		5,000	5,000
Community Foundation - High Sheriff		1,000	1,000
Newcastle City Council	46,050		46,050
Newcastle Ward Committee		4,200	4,200
European Social Fund		1,367	1,367
Greggs	9,000		9,000
Police Commissioner		2,000	2,000
Virgin	12,035		12,035
Hospital of God		2,000	2,000
North of England P	5,000		5,000
Dragons Den		1,400	1,400
Community First		950	950
Riverside	489		
Play Centre	400		
	<u>72,974</u>	<u>42,705</u>	<u>115,679</u>
6. Other income			
Misc. income	1,636		1,636

PATCHWORK PROJECT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2016

Analysis of resources expended

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
7 Charitable activities			
<u>Direct costs</u>			
Salaries and Pensions	61,530	29,144	90,674
Payroll Fees	428	1,138	1,566
Staff Costs	1,019	330	1,349
Consultancy	1,375	1,933	3,308
Vehicle Running Costs	1,883	1,264	3,147
Activities	12,502	8,275	20,777
Young Peoples Courses	115	677	792
 <u>Support costs</u>			
Insurance	1,637	955	2,592
Rent	11,000		11,000
Admin.	186		186
Utilities	3,776	522	4,298
Building costs & Maintenance	203	402	605
Communications	971	81	1,052
Cleaning and Hospitality	119	154	273
Equipment	505	555	1,060
Depreciation	5,105		5,105
 8 Governance costs			
Independent examiner's fee	300		300
Committee Training			
 9 Other resources expended			
Misc expenses	233		233

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(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2016

10 Trustee expenses

No trustees were paid expenses during the period to 31 May 2016

11 Fees for examination of the accounts

2016
£

Independent examiner's fee for reporting on the accounts 300

12 Staff costs and emoluments

Gross wages, salaries and benefits in kind	87,344
Employer's National Insurance costs	5,966
Less Employment Allowance.	(2,636)

No employee received remuneration above £60,000

13 Average number of full-time equivalent employees for the year

2016

The parts of the charity in which the employees work

Charitable activities 4.5

14 Tangible fixed assets

	Vehicles	Furniture & Equipment	Property Alterations	Total
	£	£	£	£
Cost				
Balance brought forward	-	-	-	-
Transfer from unincorporated equity	35,499	24,131	26,640	86,270
Additions	-	-	-	-
Balance carried forward	<u>35,499</u>	<u>24,131</u>	<u>26,640</u>	<u>86,270</u>
Depreciation				
Balance brought forward	-	-	-	-
Transfer from unincorporated equity	35,499	23,466	22,200	81,165
Depreciation charge for the year	-	665	4,440	5,105
	<u>35,499</u>	<u>24,131</u>	<u>26,640</u>	<u>86,270</u>
Net book value				
Carried forward	-	-	-	-

15 Bank and cash balances

2016
£

Bank current account	77,083
Cash in hand	-

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2016

16 Creditors and accruals (payable within one year)

	2016
	£
Creditor	
Ellisons Holding Account	2,283
Accruals	
Independent examination of accounts	300
Other accruals	1,440
Deferred income	44,112
Restricted funds	18,434
Unrestricted funds	25,678

17 Movements of major funds

Restricted fund	Transfer from unincorporated equity £	Incoming resources £	Resources expended £	Fund balances carried forward £
Community Foundation				
– Owen Pugh		1,500	1,500	-
– Leaf		16,000	4,666	11,334
– Port of Tyne		4,992	4,992	-
– Medics		2,296	1,100	1,196
– Wellsley		5,000	4,901	99
– High Sheriff		1,000	1,000	-
– Newcastle Ward Committee		4,200	4,120	80
– European Social Fund		1,367	-	1,367
– Police Commissioner		2,000	1,992	8
– Hospital of God		2,000	-	2,000
– Dragons Den		1,400	-	1,400
– Community First		950	-	950
Totals		<u>42,705</u>	<u>24,271</u>	<u>18,434</u>

Purpose of restricted funds

Community Foundation	Funds received for specific projects and/or activities
Wellsey	Funds received to provides 1-1 support, activities and group work
High Sheriff	Funds received to support core work
Newcastle Ward Committee	Funds received to provide positive activities to young people particularly in holiday periods
European Social Fund	Funds received to support young people into employment/training/education
Police Commissioner	Funds received to provide diversionary activities
Hospital of God	Funds received to cover core costs
Dragons Den	Funds received to cover community activities
Community First	Funds received to cover community activities

18 **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.

19 **Capital commitments**

(a) At 31 May 2016, the charity had no capital commitments (2016 £nil)

20 **Ultimate controlling party**

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