

Charity Registration No. 1113303

Company Registration No. 5664708 (England and Wales)

DUFFRYN COMMUNITY LINK

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



DUFFRYN COMMUNITY LINK

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DUFFRYN COMMUNITY LINK

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their report and financial statements for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

Objects

Duffryn Community Link (DCL) promotes the benefit of the inhabitants of Duffryn and the neighbouring areas, without distinction of sex, sexual orientation, race, religion and political opinions by bringing together community groups, local authority, voluntary and other organisations in a common effort to advance education and provide facilities in the interests of social welfare for leisure and recreation with the objective of improving the conditions of life for the said inhabitants.

Purposes and aims

To improve the quality of life for the residents of Duffryn and the surrounding area by providing an umbrella body for community groups in the area to:

Assist community groups to meet their objectives:

- Secure funding on behalf of community groups. Work with other community groups, the local authority and local businesses to promote community participation and develop partnerships.
- To support and develop existing groups and implement new ideas and projects.
- Provide a programme of training for community organisers and volunteers.

Promote joint working and co-ordinate community activity:

- Produce an annual diary of events to ensure that group activities, existing projects and fundraising are co-ordinated to a high standard.
- Organise regular joint events with partners.
- Provide opportunities for information exchange, including the co-ordination of funding bids.
- Provide a single point of contact for agencies wanting to work with the community.
- Provide a forum for conflict resolution between groups.

Develop a joint estate action plan:

- Undertake joint planning to define and prioritise the needs of the estate.
- Work with partners to audit community provision and identify ways to improve services.
- Express the needs of the relevant agencies and ensure that any changes and improvements are dealt with accordingly.
- Develop community solutions through joint working partnerships.

Public benefit

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The trustees of Duffryn Community Link wish to confirm that they have regard concerning public benefit in the running of the organisation. The main activities undertaken to further the charity's purpose for the public benefit are detailed throughout the report.

DUFFRYN COMMUNITY LINK

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

Achievements and performance

DCL have been selected as Newport's lead setting for non-maintained Early Years Education. Our Childcare co-ordinator has been tasked with assisting other organisations to improve provision through sharing good practice. Sunflower Tots Preschool provision received an 'Excellent' in their Estyn report for leadership and management and have been asked to provide a case study both for Estyn and Welsh Government highlighting our excellent practice.

Fundraising activities

The charity relies on grant aid from the donors identified in the accounts, whose support is valued. DCL are currently working with Newport Live and John Frost High School to make funding applications for youth provision in the area.

Forest Family Centre

DCL continue to run the Forest Family Centre, working in partnership with Newport City Council. The Centre hosts a range of different activities and services. Primarily the centre houses our Sun Flower Tots pre-school and Pili Pala Childcare provision, which provides affordable Breakfast Club, After School Club, Holiday Club, Playgroup and Early Years Education. In addition we run a Community Cafe, a hub for the local Community. The Forest Family Centre is also used to train and support Community Volunteers to increase their skills around Food Hygiene, Health & Safety, playwork, childcare and Customer Service skills.

Woodland Routes to Wellbeing

DCL have been successful in being only one of six projects in Wales to be granted Big Lottery 'Create Your Space' funding. As the lead organisation working with National Trust, Keep Wales Tidy and Growing Space, funding has been approved for the regeneration of the woodland area in Duffryn and green spaces throughout the estate, training and volunteering opportunities and the development of sensory garden, garden of tranquillity and community allotments at Tredegar House

Finance & Governance

A finance officer was employed in April 2017 and manages all of DCL financial transactions and reviews internal financial controls on an ongoing basis to ensure good financial governance .

Financial review

Results

The Statement of Financial Activities shows an overall net deficit for the year of £54,640 consisting of an unrestricted deficit of £72,340 and a restricted surplus of £17,700. The deficit was budgeted by the charity and is a result of a reduction in grant funding awarded.

Reserves policy

The board has established a policy whereby the unrestricted funds not committed or invested in tangible assets (the free reserves) held by the charity should be set at a target of £60,000 in general funds. At this level the board feels they would be able to continue the current activities of the charity for a very short period of time in the event of significant reduction in funding. How funding would be replaced or activities changed would need to be addressed urgently but should not compromise the primary objectives of Duffryn Community Link. Free reserves as at 31 March 2018 total £48,915 (2017: £40,522). The charity is looking at numerous ways to generate additional unrestricted reserves in future periods and has applied to various funders post year end.

Investment performance

At present, no funds of the charity have been invested. Under the Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit.

DUFFRYN COMMUNITY LINK

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

Risk management

The Duffryn Community Link Management Committee has identified the major risks to which the charity is exposed. Risks will be reviewed on a holistic approach and systems will be established to mitigate risks.

The Management Committee will make every effort to control risks by:

- Identifying sources of major risks. This will include both internal and external risks.
- Reviewing the risks, and ranking them according to probability and impact, then applying the priority formulae to give priority ranking.
- Establishing appropriate controls with the implementation and effectiveness reviewed on an annual basis to ensure they meet the needs of the charity.

A draft Risk Register has been developed and presented to the board.

The main areas of possible risk being considered include governance, finances, personnel and property, also compliance and service delivery.

The Management Committee recognise that they are fully responsible for the setting up and maintenance of risk management.

Plans for future periods

The organisation will respond to community, local authority and Welsh Government priorities in relation to antipoverty work. Projects will be established which assist people into jobs through the creation and nurturing of business sector relationships. The core business activities will be within the Tredegar Park Ward. We will seek to develop training and consultancy opportunities across local and neighbouring communities. This may also be an opportunity to engage in income generation activities.

The organisation will continue to work hard to make the Family Forest Centre a long term, self sufficient project providing much needed support and services to the community.

Structure, governance and management

Governing document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

At the Annual General Meeting (AGM) of the charity the members shall elect the Management Committee who are the trustees of Duffryn Community Link. The committee shall consist of no less than 5 trustees and no more than 15 trustees. Trustees shall remain in office for 3 years with one third resigning at each AGM.

Induction and training of new trustees

The powers of the trustees are laid out in the Memorandum and Articles of Association. A quorum for decision making is when at least one third of the members of the Management Committee are present at the meeting. Decisions are determined by the majority of votes and the Chairperson will have the casting vote when required.

Related parties

Duffryn Community Link is part of the Newport West Cluster for Resilient Communities. Gaer Community Network and Maesglas Community Network are the other members of the West Cluster.

DUFFRYN COMMUNITY LINK

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

Reference and administrative details

Company number 5664708

Charity number 1113303

Registered office Unit 7
Duffryn Shopping Centre
Duffryn
Newport
Gwent
NP10 8TE

Trustees B Bennett (Secretary for the Trustees)
B D Chuimmo MBE (Chair)
R M Grant
D Meredith
G Timmins

Key management personnel Paula Harris- Senior Director
Julie Boast - Finance Officer

Auditors MHA Broomfield Alexander
Chartered Accountants and Statutory Auditors
Waters Lane Chambers
1-3 Waters Lane
Newport
NP20 1LA

Bankers Barclays Bank PLC
Newport Buisness Centre
PO Box 19
14 Commercial Street
Newport
NP20 1WH

Auditor

In accordance with the company's articles, a resolution proposing that MHA Broomfield Alexander be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



B D Chuimmo - Trustee

Dated: 13/12/18

DUFFRYN COMMUNITY LINK

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2018

The trustees, who are also the directors of Duffryn Community Link for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DUFFRYN COMMUNITY LINK

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DUFFRYN COMMUNITY LINK

Opinion

We have audited the financial statements of Duffryn Community Link (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

DUFFRYN COMMUNITY LINK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF DUFFRYN COMMUNITY LINK

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Sarah Case FCA DChA (Senior Statutory Auditor)
for and on behalf of MHA Broomfield Alexander

13-12-18

Chartered Accountants
Statutory Auditor

Waters Lane Chambers
1-3 Waters Lane
NEWPORT
UK
NP20 1LA

MHA Broomfield Alexander is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

DUFFRYN COMMUNITY LINK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	100	-	100	803
Charitable activities	4	100,114	141,192	241,306	224,307
Other trading activities	5	59,194	-	59,194	59,336
Investments	6	68	-	68	38
Total income		159,476	141,192	300,668	284,484
<u>Expenditure on:</u>					
Raising funds	7	8,674	-	8,674	10,409
Charitable activities	8	223,073	123,495	346,568	311,662
Other	13	66	-	66	-
Total resources expended		231,813	123,495	355,308	322,071
Net (outgoing)/incoming resources before transfers		(72,337)	17,697	(54,640)	(37,587)
Gross transfers between funds		(3)	3	-	-
Net (expenditure)/income for the year/ Net movement in funds		(72,340)	17,700	(54,640)	(37,587)
Fund balances at 1 April 2017		238,279	5,547	243,826	281,413
Fund balances at 31 March 2018		165,939	23,247	189,186	243,826

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DUFFRYN COMMUNITY LINK

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	14		73,231		75,757
Current assets					
Debtors	16	16,557		13,869	
Cash at bank and in hand		136,360		161,313	
		152,917		175,182	
Creditors: amounts falling due within one year	17	(36,962)		(7,113)	
Net current assets			115,955		168,069
Total assets less current liabilities			189,186		243,826
Income funds					
Restricted funds	19		23,247		5,547
Unrestricted funds					
Designated funds	21	43,793		122,000	
General unrestricted funds		122,146		116,279	
			165,939		238,279
			189,186		243,826

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for 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 and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The accounts were approved by the Trustees on 13/12/18





B D Chuimmo - Trustee

Company Registration No. 5664708

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Charity information

Duffryn Community Link is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Unit 7 Duffryn Shopping Centre, Duffryn, Newport, Gwent, NP10 8TE.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity has been informed that funding from Newport City Council will be reduced during the 2018/19 financial year. Due to this the charity is predicted to make a further deficit in the 2018/19 financial year which will further reduce the charity's cash flow and reserves. The trustees are monitoring reserves and cash flow on a daily basis. The charity is currently applying for additional funding to cover any predicted shortfalls.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met.

Performance related grants are included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.

WRAP fees, minibus hire and venue hire is recognised in the period when the service is provided. Any amounts received in advance of the service is deferred.

Cafe income is recognised when the goods are sold.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Interest income is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds comprise the costs in relation to generating cafe income.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office extension	2% on cost
Office equipment	25% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity 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 charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

1.10 Taxation

As a registered charity, Duffryn Community Link is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rental charges are charged on a straight line basis over the term of the lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and gifts	100	-	100	803
	<u>100</u>	<u>-</u>	<u>100</u>	<u>803</u>
For the year ended 31 March 2017	<u>103</u>	<u>700</u>		<u>803</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

4 Charitable activities

	2018 £	2017 £
WRAP fees	98,694	107,647
Grants	142,612	116,660
	<u>241,306</u>	<u>224,307</u>
Analysis by fund		
Unrestricted funds	100,114	
Restricted funds	141,192	
	<u>241,306</u>	
For the year ended 31 March 2017		
Restricted funds		<u>224,307</u>
Grants		
Big Lottery Fund	120,214	11,000
Friends Provident Foundation	6,420	-
The Community Foundation in Wales	-	2,110
Newport City Council	15,478	14,303
Newport West Cluster Communities	-	81,307
Wales & West	500	-
Police Commissioners Fund	-	7,940
	<u>142,612</u>	<u>116,660</u>

5 Other trading activities

	2018 £	2017 £
Cafe	13,290	15,630
Minibus hire	6,130	4,605
Venue hire	38,535	38,267
Sundry	1,239	834
	<u>59,194</u>	<u>59,336</u>
Other trading activities		
	<u>59,194</u>	<u>59,336</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

6 Investments

	2018	2017
	£	£
Interest receivable	68	38
	<u>68</u>	<u>38</u>

7 Raising funds

	2018	2017
	£	£
<u>Trading costs</u>		
Cafe purchases	8,674	10,409
	<u>8,674</u>	<u>10,409</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Charitable activities

	2018 £	2017 £
Staff costs	195,978	210,048
Depreciation and impairment	4,074	4,115
Project expenses	47,155	15,159
Premises costs	27,280	16,640
Staff and volunteer training	3,957	4,457
Travel and subsistence	6,722	4,012
IT costs	4,275	-
	<u>289,441</u>	<u>254,431</u>
Share of support costs (see note 9)	49,926	49,474
Share of governance costs (see note 9)	7,201	7,757
	<u>346,568</u>	<u>311,662</u>
Analysis by fund		
Unrestricted funds	223,073	
Restricted funds	123,495	
	<u>346,568</u>	
For the year ended 31 March 2017		
Unrestricted funds		86,655
Restricted funds		225,007
		<u>311,662</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Support costs

	Support costs £	Governance costs £	2018 £	2017 £	Basis of allocation
Staff costs	34,584	-	34,584	37,067	Time spent
Depreciation	1,746	-	1,746	1,764	Percentage basis
Premises costs	11,692	-	11,692	7,131	Percentage basis
Payroll fees	1,482	-	1,482	1,338	Direct
Sundries	422	-	422	2,174	Direct
Audit fees	-	3,865	3,865	4,968	Governance
Legal and professional	-	3,336	3,336	2,789	Governance
	<u>49,926</u>	<u>7,201</u>	<u>57,127</u>	<u>57,231</u>	
Analysed between					
Charitable activities	<u>49,926</u>	<u>7,201</u>	<u>57,127</u>	<u>57,231</u>	

Governance costs includes payments to the auditors of £3,365 (2017: £4,468) for audit fees and £500 (2017 £500) for accountancy fees.

10 Net movement in funds

	2018 £	2017 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	3,865	4,968
Depreciation of owned tangible fixed assets	5,820	5,879
Loss on disposal of tangible fixed assets	<u>66</u>	<u>-</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

No trustees were reimbursed for expenses during the current or previous year.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Total staff	18	17

Employment costs

	2018 £	2017 £
Wages and salaries	220,947	235,936
Social security costs	8,664	8,974
Other pension costs	951	2,205
	230,562	247,115

Key management personnel

The key management personnel of the charity are as detailed in the trustees report. The total employee benefits (including salary, employer's national insurance, employer's pension and benefits in kind) of the key management personnel of the charity was £52,662 (2017: £72,894).

Redundancy costs

Redundancy costs totalling £nil (2017: £24,569) are included in wages and salaries costs above. There were no amounts outstanding at the prior year end.

Employees earning > £60,000

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

13 Other

	2018 £	2017 £
Net loss on disposal of tangible fixed assets	66	-
	66	-

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

14 Tangible fixed assets

	Office extension £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2017	91,978	54,143	13,194	159,315
Additions	-	3,360	-	3,360
Disposals	-	(13,537)	-	(13,537)
At 31 March 2018	91,978	43,966	13,194	149,138
Depreciation and impairment				
At 1 April 2017	23,906	53,330	6,322	83,558
Depreciation charged in the year	1,840	681	3,299	5,820
Eliminated in respect of disposals	-	(13,471)	-	(13,471)
At 31 March 2018	25,746	40,540	9,621	75,907
Carrying amount				
At 31 March 2018	66,232	3,426	3,573	73,231
At 31 March 2017	68,072	813	6,872	75,757

15 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	152,917	166,239
Carrying amount of financial liabilities		
Measured at amortised cost	26,936	7,113

16 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	13,387	7,696
Other debtors	3,170	6,173
	16,557	13,869

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

17 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Other taxation and social security		3,776	-
Deferred income	18	6,250	-
Trade creditors		21,110	4,181
Other creditors		3,950	1,706
Accruals and deferred income		1,876	1,226
		<u>36,962</u>	<u>7,113</u>

18 Deferred income

	2018 £	2017 £
Grants	6,250	-
	<u>6,250</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Balance brought forward	-	-
Income received	148,862	-
Income released	(142,612)	-
Balance carried forward	<u>6,250</u>	<u>-</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 April 2017	Incoming resources	Resources expended	Transfers
	£	£	£	£
Aspire	1,599	-	-	-
Oxfam	3,948	-	-	-
Newport City Council	-	14,558	(5,314)	-
Friends Provident Society	-	6,420	(6,423)	3
Big Lottery Fund	-	120,214	(111,758)	-
	<u>5,547</u>	<u>141,192</u>	<u>(123,495)</u>	<u>3</u>
				<u>23,247</u>

Aspire

Provided funding towards the Aspire project for resources and staff time.

Oxfam

Provided funding towards running the Livelihood project and Nurture programme.

Newport City Council

Provided funding for Families First and Early Years project.

Big Lottery Fund

Provided funding towards the Create Your Space project.

Friends Provident Society

Provided funding towards the Centre for Sustainable Energy project.

20 Restricted funds - previous year

	Movement in funds			
	Balance at 1 April 2016	Incoming resources	Resources expended	Balance at 31 March 2017
	£	£	£	£
Aspire	1,599	-	-	1,599
Big Lottery Fund	-	11,000	(11,000)	-
The Community Foundation in Wales	-	2,110	(2,110)	-
Police Commissioners Funds	-	7,940	(7,940)	-
Gwent High Sheriffs' Community Fund	-	200	(200)	-
Newport City Council	-	14,803	(14,803)	-
Newport West Cluster Communities First	-	81,307	(81,307)	-
Oxfam	3,948	-	-	3,948
WRAP Services	-	107,647	(107,647)	-
	<u>5,547</u>	<u>225,007</u>	<u>(225,007)</u>	<u>5,547</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 April 2017	Incoming resources	Resources expended	Transfers	Balance at 31 March 2018
	£	£	£	£	£
Staff costs	60,000	-	-	(17,607)	42,393
Running costs	60,000	-	-	(60,000)	-
Welfare fund	2,000	-	-	(600)	1,400
	<u>122,000</u>	<u>-</u>	<u>-</u>	<u>(78,207)</u>	<u>43,793</u>

Staff costs

This relates to future staff pension and redundancy costs should the organisation cease or receive a cut in funding.

Running costs

This fund was released during the period.

Welfare fund

This relates to funds to support the community and will be spent during the 2018/19 financial year.

22 Designated funds - previous

	Movement in funds			
	Balance at 1 April 2016	Incoming resources	Resources expended	Balance at 31 March 2017
	£	£	£	£
Staff costs	60,000	-	-	60,000
Running costs	60,000	-	-	60,000
Welfare fund	2,000	-	-	2,000
	<u>122,000</u>	<u>-</u>	<u>-</u>	<u>122,000</u>

23 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Fund balances at 31 March 2018 are represented by:			
Tangible assets	73,231	-	73,231
Current assets/(liabilities)	92,708	23,247	115,955
	<u>165,939</u>	<u>23,247</u>	<u>189,186</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

24 Analysis of net assets between funds - previous year

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible assets	75,757	-	75,757
Current assets/(liabilities)	162,522	5,547	168,069
	<u>238,279</u>	<u>5,547</u>	<u>243,826</u>

25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	8,080	8,103
Between two and five years	3,208	6,708
	<u>11,288</u>	<u>14,811</u>

26 Related party transactions

During the prior year a relative of one of the trustees, Mrs R Grant was employed by the charity. The gross wage for the prior year for this relative was £2,292. There were no amounts outstanding at the prior year end. The above was made redundant during the prior year, a redundancy payment of £579 was made.

There were no related party transactions during the current year.