

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 2019



DUFFRYN COMMUNITY LINK

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DUFFRYN COMMUNITY LINK

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

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 2019

Achievements and performance

The open access play project was highlighted in the Newport Green and Safe Offer plan and discussed with partners as a best practice that could be replicated across Newport. The open access play and the work in the woods was showcased on the film that Newport City Council have made about Newport's Green and Safe offer.

Great headway has been made with the physical improvements of the estate. Through the project we have managed to achieve something that most people thought was impossible, the transformation of the landscape of Duffryn. Over one ton of fly-tipping and 600 bags of household waste have been cleared by volunteers over a 5-month period. A regular litter group and an individual Litter Champions recruited through the project have maintained the improvements.

Once again our childcare provision received 'Highly Commended' in the Quality for All awards, the highest rating which can be achieved.

Fundraising activities

The charity relies on grant aid from the donors identified in the accounts, whose support is valued. DCL have been successful in gaining funding from:

- Newport City Council sustainability grant, equipment grant and new places grant for term time childcare services;
- Clybiau Plant Cymru New places grant for expansion of out of school and holiday provision;
- BIG Learning Café to provide learning and volunteering activities at the Forest Family Centre;
- Transformation and Growth Fund to look at capacity building within the organisation; and
- Police Crime Commissioners Community Fund to establish youth provision on the estate.

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.

Funding gained through BIG Lottery Awards for All has allowed us to provide training events and intergenerational opportunities for engagement to share learning between residents of Nightingale Court and Woodside Sheltered Housing, and Tredegar Park Primary School through our 'BIG Learning Café'

Woodland Routes to Wellbeing

Progress in the woods is continuing; 3 volunteers and one work placement from Careers Wales have had Brushcutter training and have certificate and card to allow them to do this both as a volunteer and employment. The monthly Saturday Community Days are gaining momentum with 3 families from the estate taking part and 2 Community Champions from Tredegar Park School.

Influence with Newport City Council and Newport City Homes has led to a direct approach being taken regarding education and enforcement. A leaflet designed by NCC, NCH and WRTW will be delivered to each household by the organisations informing them of the consequences if they do not dispose of all waste appropriately.

DUFFRYN COMMUNITY LINK

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Financial review

The Statement of Financial Activities shows an overall net deficit for the year of £46,230 consisting of an unrestricted deficit after transfers of 83,515 and a restricted surplus of £37,285. Before loss on disposal of fixed assets the charity made an unrestricted deficit of £19,123. During the year the charity surrendered its lease on one of its premises. The loss on disposal relates to an extension and subsequent improvement of the premises and as such any costs associated with this have been written back to the income and expenditure account.

Reserves policy

The Management Committee 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 Management Committee 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 2019 total £33,693 (2018: £48,915). 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.

Risk management

The Duffryn Community Link Management Committee and Senior Director 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.

DUFFRYN COMMUNITY LINK

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Dyffryn Community link has gone through a very difficult period due to austerity and funding cuts from the local authority that has resulted in a low level of reserves which puts the charity at risk.

To mitigate this situation DCL will link in with Growing Space who will assist with raising funds that contribute to reserves and put processes in place to make DCL become more efficient in delivery and in a stronger financial position by the end of the next financial year. Growing Space will provide support to the Centre Manager and also liaise with funders to open up alternative funding routes for the organisation.

DCL is a very important organisation to the Dyffryn community and provide essential services to the area therefore we feel that with an effective recovery plan being put place and the support from Growing Space we can get the organisation back on track.

Structure, governance and management

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 the lead partner in a BIG Lottery Create Your Space project, with partners The National Trust, Keep Wales Tidy and Growing Space.

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 2019

Reference and administrative details

Company number 5664708

Charity number 1113303

Registered office Forest Family Centre
Partridge Way
Duffryn
Newport
Gwent
NP10 8WP

Trustees B Bennett
B D Chuimmo MBE - resigned December 2019
R M Grant
D Meredith
G Timmins

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

Auditors Baldwins Audit Services
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

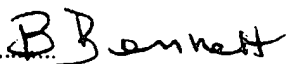
Auditor

In accordance with the company's articles, a resolution proposing that Baldwins Audit Services 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.

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B Bennett - Trustee

Dated: 19-12-19

DUFFRYN COMMUNITY LINK

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

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; 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 2019 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 2019 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to note 1.2 in the financial statements which indicates the charity has continued to make unrestricted deficits in the current and prior period and is also predicting a further deficit in 2019/20. These events indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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.

DUFFRYN COMMUNITY LINK

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

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

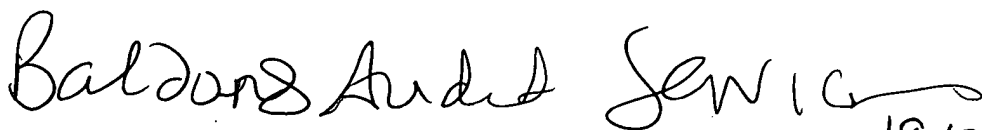
We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


19-12-19

Baldwins Audit Services

**Chartered Accountants
Statutory Auditor**

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

Baldwins Audit Services 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 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Income from:							
Donations and legacies	3	1,200	-	1,200	100	-	100
Charitable activities	4	178,421	231,892	410,313	100,114	141,192	241,306
Other trading activities	5	36,240	-	36,240	59,194	-	59,194
Investments	6	192	-	192	68	-	68
Total income		216,053	231,892	447,945	159,476	141,192	300,668
Expenditure on:							
Raising funds	7	10,794	-	10,794	8,674	-	8,674
Charitable activities	8	224,280	194,709	418,989	223,073	123,495	346,568
Other	12	64,392	-	64,392	66	-	66
Total resources expended		299,466	194,709	494,175	231,813	123,495	355,308
Net (outgoing)/ incoming resources before transfers		(83,413)	37,183	(46,230)	(72,337)	17,697	(54,640)
Gross transfers between funds		(102)	102	-	(3)	3	-
Net (expenditure)/income for the year/ Net movement in funds		(83,515)	37,285	(46,230)	(72,340)	17,700	(54,640)
Fund balances at 1 April 2018		165,939	23,247	189,186	238,279	5,547	243,826
Fund balances at 31 March 2019		82,424	60,532	142,956	165,939	23,247	189,186

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 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13		5,375		73,231
Current assets					
Debtors	14	13,506		16,557	
Cash at bank and in hand		150,942		136,360	
		<u>164,448</u>		<u>152,917</u>	
Creditors: amounts falling due within one year	15	<u>(26,867)</u>		<u>(36,962)</u>	
Net current assets			137,581		115,955
Total assets less current liabilities			<u>142,956</u>		<u>189,186</u>
Income funds					
Restricted funds	17		60,532		23,247
<u>Unrestricted funds</u>					
Designated funds	19	43,356		43,793	
General unrestricted funds		<u>39,068</u>		<u>122,146</u>	
			82,424		165,939
			<u>142,956</u>		<u>189,186</u>

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 2019, although an audit has been carried out under section 145 of the Charities Act 2011.

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 19-12-19

B. Bennett

B Bennett - Trustee

Company Registration No. 5664708

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

Duffryn Community Link is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Forest Family Centre, Partridge Way, Duffryn, Newport, Gwent, NP10 8WP.

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 have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity has continued to make unrestricted deficits in the current and previous financial years and has budgeted to make a further significant deficit in 2019/20 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 2019

1 Accounting policies (Continued)

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred,

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 2019

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 2019

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	Unrestricted funds
	2019	2018
	£	£
Donations and gifts	1,200	100

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Charitable activities

	2019 £	2018 £
WRAP fees	117,629	98,694
Grants	292,684	142,612
	<u>410,313</u>	<u>241,306</u>
Analysis by fund		
Unrestricted funds	178,421	
Restricted funds	231,892	
	<u>410,313</u>	
For the year ended 31 March 2018		
Unrestricted funds		100,114
Restricted funds		141,192
		<u>241,306</u>
Grants		
Clybiau Plant Cymru Kids' Clubs	6,000	-
Big Lottery Fund	198,328	120,214
Friends Provident Foundation	-	6,420
Transformation & Growth Fund	12,117	-
Newport City Council	74,484	15,478
Wales & West	-	500
South Wales Police Commissioner's Victims Fund	1,755	-
	<u>292,684</u>	<u>142,612</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Cafe	13,102	13,290
Minibus hire	9,228	6,130
Venue hire	10,375	38,535
Fundraising	1,523	-
Sundry	2,012	1,239
	<u>36,240</u>	<u>59,194</u>
Other trading activities	<u>36,240</u>	<u>59,194</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Interest receivable	192	68
	<u>192</u>	<u>68</u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
<u>Trading costs</u>		
Cafe purchases	10,794	8,674
	<u>10,794</u>	<u>8,674</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Charitable activities

	2019 £	2018 £
Staff costs	230,362	195,978
Depreciation and impairment	4,945	4,074
Project expenses	70,169	47,155
Premises costs	26,623	27,280
Staff and volunteer training	6,332	3,957
Travel and subsistence	6,668	6,722
IT costs	6,307	4,275
	<u>351,406</u>	<u>289,441</u>
Share of support costs (see note 9)	55,856	49,926
Share of governance costs (see note 9)	11,727	7,201
	<u>418,989</u>	<u>346,568</u>
Analysis by fund		
Unrestricted funds	224,280	223,073
Restricted funds	194,709	123,495
	<u>418,989</u>	<u>346,568</u>

9 Support costs

	Support costs £	Governance costs £	2019 £	Support costs £	Governance costs £	2018 £
Staff costs	40,652	-	40,652	34,584	-	34,584
Depreciation	2,119	-	2,119	1,746	-	1,746
Premises costs	11,410	-	11,410	11,692	-	11,692
Payroll fees	1,229	-	1,229	1,482	-	1,482
Sundries	446	-	446	422	-	422
Audit fees	-	3,425	3,425	-	3,865	3,865
Legal and professional	-	8,302	8,302	-	3,336	3,336
	<u>55,856</u>	<u>11,727</u>	<u>67,583</u>	<u>49,926</u>	<u>7,201</u>	<u>57,127</u>
Analysed between						
Charitable activities	<u>55,856</u>	<u>11,727</u>	<u>67,583</u>	<u>49,926</u>	<u>7,201</u>	<u>57,127</u>

Governance costs includes payments to the auditors of £2,925 (2018: £3,365) for audit fees and £500 (2018: £500) for accountancy fees.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

10 Trustees

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

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

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Total staff	23	18

Employment costs

	2019 £	2018 £
Wages and salaries	258,711	220,947
Social security costs	10,011	8,664
Other pension costs	2,292	951
	271,014	230,562

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 £53,221 (2018: £52,662).

Employees earning > £60,000

There were no employees whose annual remuneration was £60,000 or more during the current or prior year.

12 Other

	2019 £	2018 £
Net loss on disposal of tangible fixed assets	64,392	66
	64,392	66

During the year the charity surrendered its lease on one of its premises. The loss on disposal relates to an extension and subsequent improvement of the premises and as such any costs associated with this have been written back to the income and expenditure account.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

13 Tangible fixed assets

	Office extension	Office equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2018	91,978	43,966	13,194	149,138
Additions	-	3,600	-	3,600
Disposals	(91,978)	-	-	(91,978)
At 31 March 2019	-	47,566	13,194	60,760
Depreciation and impairment				
At 1 April 2018	25,746	40,540	9,621	75,907
Depreciation charged in the year	1,840	1,925	3,299	7,064
Eliminated in respect of disposals	(27,586)	-	-	(27,586)
At 31 March 2019	-	42,465	12,920	55,385
Carrying amount				
At 31 March 2019	-	5,101	274	5,375
At 31 March 2018	66,232	3,426	3,573	73,231

14 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	13,506	13,387
Other debtors	-	3,170
	13,506	16,557

15 Creditors: amounts falling due within one year

	Notes	2019	2018
		£	£
Other taxation and social security		-	3,776
Deferred income	16	-	6,250
Trade creditors		13,683	21,110
Other creditors		2,776	3,950
Accruals and deferred income		10,408	1,876
		26,867	36,962

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Deferred income

	2019 £	2018 £
Grants	-	6,250
	<u>-</u>	<u>6,250</u>
	<u>-</u>	<u>6,250</u>

Deferred income is included in the financial statements as follows:

	2019 £	2018 £
Balance brought forward	6,250	-
Income received	292,684	148,862
Income released	(298,934)	(142,612)
Balance carried forward	<u>-</u>	<u>6,250</u>
	<u>-</u>	<u>6,250</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 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				Movement in funds				Balance at 31 March 2019
	Balance at 1 April 2017	Incoming resources	Resources expended	Transfers	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£	£
Aspire	1,599	-	-	-	1,599	-	-	-	1,599
Oxfam	3,948	-	-	-	3,948	-	-	-	3,948
Newport City Council	-	14,558	(5,314)	-	9,244	17,662	(17,662)	-	9,244
Big Lottery Fund	-	6,420	(6,423)	3	8,456	190,656	(161,968)	-	37,144
Clybiau Plant Cymru Kids' Clubs	-	120,214	(111,758)	-	-	3,046	(2,876)	-	170
Police and Crime Commissioners Youth Project	-	-	-	-	-	6,495	(712)	-	5,783
Transformation & Growth Fund	-	-	-	-	-	2,644	-	-	2,644
Centre for Sustainable Energy	-	-	-	-	-	9,634	(9,736)	102	-
Police and Crime Commissioners Homework Club	-	-	-	-	-	1,755	(1,755)	-	-
	<u>5,547</u>	<u>141,192</u>	<u>(123,495)</u>	<u>3</u>	<u>23,247</u>	<u>231,892</u>	<u>(194,709)</u>	<u>102</u>	<u>60,532</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

17 Restricted funds (Continued)

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

Providing funding for Families First, Deprivation, Play Sufficiency, Sustainability and Early Years projects. Also funded a small grant to purchase equipment for the playgroup.

Big Lottery Fund

Provided funding to provide training, work placement opportunities and community events.

Clybiau Plant Cymru Kids' Clubs

Provided funding to support additional spaces developed at Pila Pala for out of school and holiday club.

Police and Crime Commissioners Youth Project

Provided funding for the Youth Project.

Transformation & Growth Fund

Provided funding to support extra capacity of a building to set future strategic direction of the organisation.

Centre for Sustainable Energy

Funding provided for the provision of staff training and CPD.

Police and Crime Commissioners Homework Club

Funding provided to support the homework club.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

18 Analysis of net assets between funds

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:						
Tangible assets	5,375	-	5,375	73,231	-	73,231
Current assets/ (liabilities)	77,049	60,532	137,581	92,708	23,247	115,955
	<u>82,424</u>	<u>60,532</u>	<u>142,956</u>	<u>165,939</u>	<u>23,247</u>	<u>189,186</u>

19 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:

	Balance at 1 April 2017 £	Transfers £	Balance at 1 April 2018 £	Resources expended £	Balance at 31 March 2019 £
Staff costs	60,000	(17,607)	42,393	-	42,393
Welfare fund	60,000	(60,000)	1,400	(437)	963
Running costs	2,000	(600)	-	-	-
	<u>122,000</u>	<u>(78,207)</u>	<u>43,793</u>	<u>(437)</u>	<u>43,356</u>

Staff costs

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

Welfare fund

This relates to funds to support the community and will be spent during the 2019/20 financial year.

20 Related party transactions

There were no related party transactions during the current or prior year.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

21 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:

	2019	2018
	£	£
Within one year	4,580	8,080
Between two and five years	-	3,208
	<u>4,580</u>	<u>11,288</u>