

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 2020



DUFFRYN COMMUNITY LINK

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DUFFRYN COMMUNITY LINK

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], 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) (effective 1 January 2019)".

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 2020

Achievements and performance

The open Access play project was again given a "highly commended" report in its inspection from Care inspectorate for Wales, this provision continues to provide high quality childcare facilities within the community.

Youthwork continues to provide key services for young people between the ages of 11 – 25 years throughout the area, this has been achieved through various strands of work including 2 twice weekly centre-based Open access provision, as well as engaging with youth people in schools and the community.

Fundraising Activities

The charity relies on grant aid from donors identified in the accounts whose support is valued, as well as social enterprise within aspects of the organisation. DCL has been successful in gaining funding from:

- Newport City Council via Families First Funding towards supporting the community.
- Big Lottery through its ongoing funding for the Woodlands Routes to wellbeing project
- Police Crime Commissioners Community Fund towards DCL's youth provision in the estate.

Forest Family Centre

DCL continues to run the Forest Family Centre, working in partnership with Newport City Council. The centre hosts a range of different activities and services. The Centre accommodates DCL Sun Flower Tots pre-school and Pili Pala Childcare provision, which provides affordable Breakfast Club, After School Club, Holiday Club and Playgroup. In addition we run a Community Café from the centre. The Forest Family Centre is also used to train and support Community Volunteers to increase their skills in Food Hygiene, Health & Safety, First Aid, Playwork, Childcare, Youthwork.

Woodland Routes to Wellbeing

Progress with the play-sessions has continued with 4 sessions being well attended every week. The devised plan for the Woodlands have been implemented with significant involvement from the Community Champions and Duffryn Community Link volunteers. The addition of the Orchard, secret paths and bug hotels have been well received by community members and has allowed the woodland to provide a further access point across the estate. The removal of burnt out cars has made the area safer and more natural looking. Partnership days between the play team, Keep Wales Tidy and local residents have seen steps built within the woodlands to enable access to Rabbit Hill. The formal name of the woodland has been changed. This encouraged significant community involvement, through families providing name suggestions for the Woodland and offering them the community the opportunity to vote.

Financial review

The Statement of Financial Activities shows an overall net surplus for the year of £80,571 consisting of an unrestricted surplus after transfers of £81,615 and a restricted deficit of £1,044.

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 at 31 March 2020 total £117,452 (2019: £33,693). 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 2020

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 impact of Covid-19 lockdown on DCL and the community have created a position where the Community has reached out to DCL for support; that support has been forthcoming resulting in support in the shape of Food Parcels for those community members shielding, together with support to children and young people. DCL aims to support the needs of the community working in partnership with organisations from both the voluntary and statutory sectors. DCL has gone through a very difficult period due to austerity and funding cuts, however, the organisation has indeed turned the corner and is showing a number of positive indicators. These positive steps are being achieved with the help and support of other organisations such as Growing space, DCL continues to provide vital services to the community. DCL has set out a business plan for the next three years to continue and develop support to the community in Newport.

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 2020

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- resigned 20/12/19
B D Chuimmo MBE - resigned 28/11/19
R M Grant
D Meredith
G Timmins

Key management personnel Paula Harris- Senior Director (no longer in post)
Julie Boast - Finance Officer (no longer in post)
Gareth Williams - Operations Manager

Auditors Azets Audit Services
Chartered Accountants and Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

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 Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

DUFFRYN COMMUNITY LINK

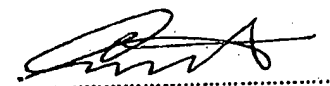
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

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.



R Grant – Trustee

Dated: 9/10/20

DUFFRYN COMMUNITY LINK

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

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 2020 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 2020 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.



Azets Audit Services

19-10-2020

**Accountants
Statutory Auditor**

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Azets 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 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:							
Donations and legacies	3	1,051	-	1,051	1,200	-	1,200
Charitable activities	4	184,836	274,728	459,564	178,421	231,892	410,313
Other trading activities	5	31,671	-	31,671	36,240	-	36,240
Investments	6	132	-	132	192	-	192
Total income		217,690	274,728	492,418	216,053	231,892	447,945
Expenditure on:							
Raising funds	7	6,852	-	6,852	10,794	-	10,794
Charitable activities	8	134,722	270,273	404,995	224,280	194,709	418,989
Other	12	-	-	-	64,392	-	64,392
Total resources expended		141,574	270,273	411,847	299,466	194,709	494,175
Net incoming/ (outgoing) resources before transfers		76,116	4,455	80,571	(83,413)	37,183	(46,230)
Gross transfers between funds		5,499	(5,499)	-	(102)	102	-
Net income/(expenditure) for the year/ Net movement in funds		81,615	(1,044)	80,571	(83,515)	37,285	(46,230)
Fund balances at 1 April 2019		82,424	60,532	142,956	165,939	23,247	189,186
Fund balances at 31 March 2020		164,039	59,488	223,527	82,424	60,532	142,956

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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		3,361		5,375
Current assets					
Debtors	14	2,428		13,506	
Cash at bank and in hand		236,805		150,942	
		<u>239,233</u>		<u>164,448</u>	
Creditors: amounts falling due within one year	15	<u>(19,067)</u>		<u>(26,867)</u>	
Net current assets			220,166		137,581
Total assets less current liabilities			<u>223,527</u>		<u>142,956</u>
Income funds					
Restricted funds	16		59,488		60,532
<u>Unrestricted funds</u>					
Designated funds	17	43,226		43,356	
General unrestricted funds		<u>120,813</u>		<u>39,068</u>	
			164,039		82,424
			<u>223,527</u>		<u>142,956</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 2020, 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 17-10-20



R Grant- Trustee

Company Registration No. 5664708

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 financial statements have been prepared in accordance with the charity's [governing document], 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) (effective 1 January 2019)". 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. The principal accounting policies adopted are set out below.

1.2 Going concern

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.

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.

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.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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 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.

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.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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 2020

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
	2020	2019
	£	£
Donations and gifts	1,051	1,200

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

	2020 £	2019 £
WRAP fees	184,581	117,629
Grants	274,983	292,684
	<u>459,564</u>	<u>410,313</u>
Analysis by fund		
Unrestricted funds	184,836	178,421
Restricted funds	274,728	231,892
	<u>459,564</u>	<u>410,313</u>
Grants		
Clybiau Plant Cymru Kids' Clubs	-	6,000
Big Lottery Fund	210,501	198,328
Friends Provident Foundation	2,559	9,634
Police and Crime Commissioners	18,409	6,495
Gwent High Sheriffs' Community Fund	500	-
Newport City Council	30,307	70,472
National Trust	12,707	-
South Wales Police Commissioner's Victims Fund	-	1,755
	<u>274,983</u>	<u>292,684</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Cafe	10,508	13,102
Minibus hire	4,285	9,228
Venue hire	16,211	10,375
Fundraising	463	1,523
Sundry	204	2,012
	<u>31,671</u>	<u>36,240</u>
Other trading activities		
	<u>31,671</u>	<u>36,240</u>

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Interest receivable	132	192

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
<u>Trading costs</u>		
Cafe purchases	6,852	10,794
	6,852	10,794

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

8 Charitable activities

	2020 £	2019 £
Staff costs	219,102	230,362
Depreciation and impairment	1,410	4,945
Project expenses	87,164	70,169
Premises costs	19,054	26,623
Staff and volunteer training	8,072	6,332
Travel and subsistence	3,401	6,668
IT costs	5,374	6,307
	<u>343,577</u>	<u>351,406</u>
Share of support costs (see note 9)	50,370	55,856
Share of governance costs (see note 9)	11,048	11,727
	<u>404,995</u>	<u>418,989</u>
Analysis by fund		
Unrestricted funds	134,722	224,280
Restricted funds	270,273	194,709
	<u>404,995</u>	<u>418,989</u>

9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	38,665	-	38,665	40,652	-	40,652
Depreciation	604	-	604	2,119	-	2,119
Premises costs	8,166	-	8,166	11,410	-	11,410
Payroll fees	1,245	-	1,245	1,229	-	1,229
Sundries	1,690	-	1,690	446	-	446
Audit fees	-	3,763	3,763	-	3,425	3,425
Legal and professional	-	7,285	7,285	-	8,302	8,302
	<u>50,370</u>	<u>11,048</u>	<u>61,418</u>	<u>55,856</u>	<u>11,727</u>	<u>67,583</u>
Analysed between						
Charitable activities	<u>50,370</u>	<u>11,048</u>	<u>61,418</u>	<u>55,856</u>	<u>11,727</u>	<u>67,583</u>

Governance costs includes payments to the auditors of £3,150 (2018: £2,925) for audit fees and £613 (2019: £500) for accountancy fees.

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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.

One trustee was reimbursed for expenses during the current year relating to travel and subsistence totalling £10 (2019: £nil).

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total staff	22	23

Employment costs

	2020 £	2019 £
Wages and salaries	246,818	258,711
Social security costs	8,003	10,011
Other pension costs	2,946	2,292
	257,767	271,014

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 £44,170 (2019: £53,221).

Employees earning > £60,000

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

12 Other

	2020 £	2019 £
Net loss on disposal of tangible fixed assets	-	64,392
	-	64,392

During the prior 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 2020

13 Tangible fixed assets

	Office equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 April 2019	47,566	13,194	60,760
Disposals	-	(13,194)	(13,194)
At 31 March 2020	47,566	-	47,566
Depreciation and impairment			
At 1 April 2019	42,465	12,920	55,385
Depreciation charged in the year	1,740	274	2,014
Eliminated in respect of disposals	-	(13,194)	(13,194)
At 31 March 2020	44,205	-	44,205
Carrying amount			
At 31 March 2020	3,361	-	3,361
At 31 March 2019	5,101	274	5,375

14 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	2,428	13,506

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	3,645	-
Trade creditors	13,652	13,683
Other creditors	1,770	2,776
Accruals and deferred income	-	10,408
	19,067	26,867

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 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 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 31 March 2020	
	£	£	£	£	£	£	£	£	£	£
Aspire	1,599	-	-	-	1,599	-	-	(1,599)	-	-
Oxfam	3,948	-	-	-	3,948	-	-	(3,948)	-	-
Newport City Council	9,244	20,306	(17,662)	-	11,888	30,052	(36,879)	-	5,061	-
Big Lottery Fund	8,456	190,656	(161,968)	-	37,144	210,501	(198,135)	-	49,510	-
Clybiau Plant Cymru Kids' Clubs	-	3,046	(2,876)	-	170	-	(170)	-	-	-
Police and Crime Commissioners Youth Project	-	6,495	(712)	-	5,783	18,410	(24,192)	(1)	-	-
Friends Provident Society	-	9,364	(9,736)	106	-	2,559	(2,559)	-	-	-
Police and Crime Commissioners Homework Club	-	1,755	(1,755)	-	-	-	-	-	-	-
Gwent Police High Sheriff	-	-	-	-	-	500	(549)	49	-	-
National Trust	-	-	-	-	-	12,707	(7,790)	-	4,917	-
	<u>23,247</u>	<u>231,622</u>	<u>(194,709)</u>	<u>106</u>	<u>60,532</u>	<u>274,729</u>	<u>(270,274)</u>	<u>(5,499)</u>	<u>59,488</u>	

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 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.

Friends Provident Society

Funding provided for the provision of staff training and CPD.

Police and Crime Commissioners Homework Club

Funding provided to support the homework club.

Gwent Police High Sheriff

Funding received for xxxxxxxxxxxxxxxxxxxx

National Trust

Funding received for xxxxxxxxxxxxxxxxxxxx

DUFFRYN COMMUNITY LINK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

17 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 2018 £	Resources expended £	Balance at 1 April 2019 £	Resources expended £	Balance at 31 March 2020 £
Staff costs	42,393	-	42,393	-	42,393
Welfare fund	1,400	(437)	963	(130)	833
	<u>43,793</u>	<u>(437)</u>	<u>43,356</u>	<u>(130)</u>	<u>43,226</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 future periods.

18 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Tangible assets	3,361	-	3,361	5,375	-	5,375
Current assets/ (liabilities)	<u>160,678</u>	<u>59,488</u>	<u>220,166</u>	<u>77,049</u>	<u>60,532</u>	<u>137,581</u>
	<u>164,039</u>	<u>59,488</u>	<u>223,527</u>	<u>82,424</u>	<u>60,532</u>	<u>142,956</u>

19 Events after the reporting date

COVID-19

The impact of the pandemic during 2020 is described in the Trustees Report.

The trustees believe that the charity's reserves are sufficient to meet the demands of this exceptional situation.

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 2020

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:

	2020	2019
	£	£
Within one year	4,580	4,580
	<u> </u>	<u> </u>