

Registered number: 2769300  
Charity number: 1015652

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**THE PADLEY GROUP**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

SATURDAY



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COMPANIES HOUSE

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**THE PADLEY GROUP**  
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2018**

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<b>Trustees</b>	A Shaw, Chair G Bennett, Vice Chair (appointed 28 September 2017) O Dean (resigned 30 June 2017) P Inman, Secretary (appointed 9 November 2017) V Miller B Samra M Murray (appointed 7 June 2018) D Vasey (resigned 28 September 2017) E Thomson (appointed 4 May 2017) P Zadora (resigned 28 September 2017) J Winterbotham (resigned 1 December 2017) A Blackwood (resigned 12 April 2018) L Higginbottom (appointed 28 September 2017, resigned 12 April 2018) M Connell (appointed 9 November 2017)
<b>Company registered number</b>	2769300
<b>Charity registered number</b>	1015652
<b>Registered office</b>	68 Rutland Street Derby Derbyshire DE23 8PR
<b>Company secretary</b>	P S Inman
<b>Chief executive officer</b>	L Waller (to Oct-18)
<b>Independent auditors</b>	Bates Weston Audit Ltd Statutory Auditors Chartered Accountants The Mills Canal Street Derby DE12RJ
<b>Bankers</b>	Lloyds TSB plc 43 Irongate Derby DE1 3FT

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**THE PADLEY GROUP**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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The directors, who are also the Trustees of the charitable company, present their report with the audited financial statements for the year ended 31 March 2018.

**OUR AIMS AND OBJECTIVES**

The Padley Group, a registered charity, was founded in 1985 to provide support, services and facilities for homeless, disadvantaged and distressed people. It consists of the Padley House and the Padley Development Centre. Padley House comprises a Day Centre providing services, facilities and support for homeless, disadvantaged and distressed people, and a twelve-roomed Direct Access Hostel providing supported short-term accommodation for homeless people. The Padley Development Centre provides therapeutic and occupational activities together with non-vocational and vocational training for people with various difficulties and/or seeking to overcome long term unemployment.

The objectives of the charity are:

- To provide facilities for persons who are homeless, destitute, and distressed, and to help them regain a sense of personal worth through the provision of opportunities for training, support and encouragement;
- To provide opportunities for care to be expressed to those who often experience rejection;
- To meet the basic needs of those who have next to nothing in order to enhance the quality of their lives;
- To provide the opportunity for people who have next to nothing to share in a caring community in order to break down feelings of isolation;
- To be non-party in politics and non-sectarian in religion, rather being ecumenical, involving the main Christian groups.

The charity operates the drop in Day Centre in Becket Street Derby providing services, advice, support and facilities for homeless and disadvantaged people. There is a twelve room Hostel above the Day Centre which offers support and assistance to residents in moving on to their own permanent accommodation.

About two miles south of Derby Centre, in Rutland Street Normanton, is the Padley Development Centre. The Centre is equipped with workshops for woodwork, pottery, crafts and creative arts, offering therapeutic and occupational courses and activities. There are also facilities for catering. The Centre offers learning opportunities for those seeking to overcome long-term unemployment and people with physical, learning and mental disabilities.

The charity and its trading subsidiary provide opportunities for work placements.

**PUBLIC BENEFIT**

Padley's charitable objects as stipulated in the Memorandum and Articles of Association are shown above, the public benefit achieved in meeting these objectives are through:

- The provision of hostel accommodation to those who are homeless, giving them support, referrals, signposting and assistance to move on in their lives and move into shared or their own permanent accommodation.
- The provision at the Day Centre of facilities, for example toilets, shower, laundry facilities, food, clothing, hairdressing, a chiropodist, an optician, access to a Community Psychiatric Nurse and other health related services and professionals which tend to the basic needs of those who have next to nothing, and in so doing enhance the quality of their lives.
- The provision at the Day Centre of support, signposting and encouragement to help homeless, destitute and distressed people regain or achieve for the first time a sense of personal worth.
- The provision of facilities and services which offer opportunities for people who are homeless and others in need to interact with others and to share in a caring community, consequently breaking down feelings of isolation and distress.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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- The provision of learning opportunities and training through activities and volunteering roles at the different operations.
- The provision through the Development Centre of support, encouragement and training to help those with learning difficulties, mental health issues and physical disabilities regain a sense of personal worth.
- The provision of respite for families and carers of those with learning difficulties, mental health issues and physical disabilities through provision at the Development Centre.

All of the facilities we offer are to improve the quality of life and well-being of those who are disadvantaged in our society. We are ecumenical, non-party political and non-sectarian in religion in all of our operations.

The Trustees have taken into account the Charity Commission guidance on Public Benefit in accordance with section 4 of the Charities Act 2011.

**ACHIEVEMENT AND PERFORMANCE**

The Trustees and management, most of whom were recently appointed, felt it appropriate to take time and reflect on the values which underpin all the work of the Charity. To this end, an externally facilitated development workshop was organised during January 2018 at which Trustees, managers, staff and volunteers 'went back to basics' and considered the values which should drive all activities. Following this all-day meeting, and further deliberation, the Trustees agreed these five values which form the basis of all operations:

- Partnership
- Respect
- Integrity
- Learning
- Empowerment

Financial performance both against budget and the previous year was good. Prudence in expenditure and successful marketing and fund-raising activities led to a surplus of income over expenditure of £79,791 compared with a like for like deficit in 2016-17 of £91,810. This surplus resulted primarily from a reduction in staffing costs at the centre for homeless people which restricted the extent of the services offered there. Staffing has since been increased to improve opening hours with a resultant planned increase in expenditure during 2018-19.

Particularly pleasing was the 7.4% growth in income through fundraising activities and other voluntary income. The proportion of income raised from voluntary and fundraising activities was almost 40%, this continues the trajectory over the last six years to spread the sources of income over a broader base and to minimise income sources from public funds. Padley4000 income has remained steady and provides the regular, core funding which supports the work at the day centre for homeless people.

The target to hold a minimum of three months operating costs in unallocated reserves was achieved.

Although a welcome grant from the Derbyshire Police and Crime Commissioner enabled the day centre for homeless people to remain open for longer than otherwise would have been the case, the reduction in grants from statutory authorities over the years has significantly reduced staff support at the centre to levels which have prevented staff from spending sufficient time with people to give them the support they really need. The widespread use of 'spice' and other new psychoactive substances has also placed great pressure on all those staff and volunteers working at the centre. Whilst this work is already a major contributor to the overall City-wide approach to homelessness, the charity is fully aware that could greater resources be found, the extent and quality of this work could be much extended.

During 2017-2018 there were over 24,000 visits to the Homeless Centre which equates to over 65 a day, 365 days a year. The great majority of visitors had multiple and complex needs: substance misuse, mental health issues and alcohol abuse were often to be observed within the same person alongside, of course, homelessness

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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and instable social relationships. Warmth, showers and fresh clothing were provided as appropriate. But above all, care, companionship and a sense of 'a place to go' when there was nowhere else. Emergency food parcels were distributed to those in greatest need; 1,775 during the year were issued.

Visiting clinics and well-being provision at the Homeless Centre continued and were very well received. Specialist nurses, staff from the Derby Drug Service attended the Centre frequently. Homeless people benefited from regular visits from a hairdresser, optician and podiatrist. Links with the probation service have grown stronger which has supported the rehabilitation of clients.

The men's hostel provided twelve short term beds for those in particular need. During the year, 169 men had periods of residence. The hostel was permanently full, with vacant rooms being filled immediately a vacancy occurs.

The year had been difficult for the Development Centre in terms of financial viability, indeed its work was supported financially by other parts of the Group. However, most weeks some 60 clients benefitted from classes in Pottery, Arts and Crafts, and Woodwork. The quality of work produced by the many clients with multiple difficulties continues to be remarkable.

Catering remained a very important part of Padley's work, providing cooked breakfasts for rough sleepers, nourishing lunches at both the Centre for homeless people and the Development Centre and ensuring that cups of tea and coffee were available virtually throughout the day. During 2017-18, over 25,000 meals were prepared.

The great majority of the food prepared by our cooks was given following Harvest celebrations in Churches and schools. The huge collection, sorting, freezing and storing operation during September and October ensured that our food supply costs were kept very low which turn means that high quality meals were available for a fraction of what would be charged elsewhere. Padley also benefitted from regular donations throughout the year of fresh produce from local companies, including Griffiths, East Midlands Trains, Sainsbury's, Nandos, Greggs and SOS Cash and Carry.

The year had many highlights with our usual fundraising events and other events held by organisations to raise funds for us. We were delighted to have been chosen as the Charity of the Year by Sainsbury's in Chaddesden which led to much activity bag packing and the like. Padley was also the charity of choice at the Rockstock and Barrel Festival. Generous donations were received from Toyota and the Deborah Fern Fund, the latter specifically funded women only support sessions at the Homeless Centre which proved most valuable to those who attended. The charity is also indebted to the many, many donations from Rotary Clubs, Women's Institutes, Churches and other organisations who provided the life blood of our fundraising. The Good as New Sale and sponsored sleep out involved scores of supporters and raised significant funds.

We were pleased to welcome a number of high profile visitors to Padley during the year including the Lord Burlington and the High Sheriff of Derbyshire, Ms Annie Hall.

## **FINANCIAL REVIEW**

The financial result for the year is detailed in the following Financial Statements. Padley continues to adapt to a changing environment, but inevitably, funding remains a constant challenge.

### **Principal sources of funding**

Total income at £717,955 shows an increase on 2016/17 performance of 24.1%, though the income for 2016/17 was reduced by £48,430 resulting from a change in accounting practice which transferred this income to the previous year. When taking this into account, the like for like income growth was 14.5% (£90,934).

The main source of income, some 38.0%; was from voluntary sources: Padley4000, fundraising, donations and shop sales. Income from hostel tenancies provided 24.7% of total income. Twenty per cent of income was from

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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grants, including that from the Police and Crime Commissioner, but also many other smaller grants for allocated specific work.

**Resources expended**

Overall expenditure decreased by 4.8% (£32,237) and was maintained well within budget.

The overdraft facility did not need to be utilised during the year.

**Reserves policy**

The unrestricted reserves at 31 March 2018 were £214,788, an increase of £45,848, this represents around four months operating costs. The reserves policy is to have three months operating costs.

**Investments powers, policy and performance**

The Trustees' investment powers are governed by the Memorandum and Articles of Association, which permits the charity's funds to be invested in such investments, securities or property as thought fit.

**Fixed Assets**

Details of movements in Fixed Assets are shown in Note 10 of the Accounts.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The organisation is a charitable company limited by guarantee, governed by its Memorandum and Articles of Association as amended on 17 June 1996.

It is registered as a charity with the Charity Commission.

**Induction and training of Trustees**

Padley advertises as necessary to recruit new Trustees, seeking to maintain a balance of skill-sets within the Board. The organisation normally operates with 8 to 12 Trustees, all being subject to re-election by rotation at the Annual General Meeting. When a new Trustee is appointed they receive an appropriate induction from the Chair and are supported effectively by existing Trustees.

**Organisational structure**

The Board of Trustees administers the charity through bi-monthly meetings and there are three committees covering Finance, Business Operations, and Marketing and Fundraising which support all operational areas. The Chief Executive has delegated authority for operational matters within terms approved by the Board.

The Charity's wholly owned subsidiary, Padley Trading Limited, was established in 1991 to operate one or more retail shops including a textile recycling project. The subsidiary gift-aids any operating surplus to the charity.

**Principal Risks and uncertainties**

The Trustees examine the major risks that the charity faces when preparing the annual budget and business plan and when updating the strategic plan. Systems have developed to monitor and control these risks and mitigate any impact that they may have on the charity in the future. There are two particular categories of risk: the first relates to voluntary and trading income, which by their nature can fluctuate. As described in the Financial

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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Review, the Charity is now entirely reliant on funds directly raised through provision of services and fundraising activities without the 'safety net' of public funding. The Board and Finance Committee received regular budgetary control and cash flow reports to ensure financial risks are monitored. The second is concerned with Health and Safety which is particularly important in view of the different categories of client Padley seeks to help. Regular reviews of operating policies and procedures are carried out to ensure mitigation of operational risks and regular risk assessment of properties and equipment are carried out to minimise health and safety risks.

#### **PLANS FOR FUTURE PERIODS**

The Board is undertaking a major strategic review of the services which Padley offers. The purpose of the review is to ensure the future financial security of the Group alongside protecting the fundamental objective of providing facilities and support for homeless people. The timing of the review has been necessitated by:

1. The growing challenges resulting from the rise in street homelessness and the increasing complexity of need which these clients bring with them. Trustees have recognised that our existing provision at the centre for homeless people does not sufficiently meet their needs and that greater individual work needs to take place with these clients in order that they can take their place confidently in wider society.
2. The Development Centre building, leased since 1995 from the Derby City Council at very advantageous rates, is now no longer fit for purpose. Currently providing accommodation for the craft courses primarily accessed by adults with learning difficulties funded through personal budgets as well as housing five headquarters staff, the centre requires major refurbishment so that it could continue to be used even in the medium term. The charity does not have sufficient funds to undertake this major expenditure.
3. The core activities which take place at the Development Centre have proved to be not financially viable. Since the phased withdrawal of local authority grant funding, the Trustees have sought many different ways to increase income (primarily through increased client participation) none of which has been sufficiently successful. Consequently, this work is now a drain on the Group's resources and is preventing required investment in the work with homeless people to ensure that that service can develop to meet the growing need.

This review will be completed by October 2018.

Further to the renewed emphasis on tackling homelessness, and working with Metropolitan, our existing landlords at Padley House, our Centre for homeless people, Padley is exploring the potential of providing move-on accommodation for hostel residents. Currently, many landlords are reluctant to let property to men moving on from hostel accommodation whilst Padley are equally reluctant to move men out of the hostel even though our judgement is that they are capable of supported, independent living.

In accordance with our values, the charity is seeking to work ever more closely with other agencies, both statutory and voluntary, who share the same objectives. We recognise that only by working together can some of the major challenges surrounding people who are homeless be effectively addressed.

#### **TRUSTEES' APPRECIATION**

The Board would like to expressly thank the Trustees who left their positions during the year. Pat Zadora, MBE, the previous Chair, has given hugely to Padley over a long period, including a number of years as volunteer CEO, which not only served to achieve effective financial and operational management but also enabled significant financial savings as the CEO salary was not expended. During what was a turbulent time in Padley's history, Pat's dedication and service ensured a stability and continuing strong reputation which otherwise may well not have been maintained. Olivia Dean, the previous Vice Chair, David Vasey, Chair of Finance and General Purposes and Jane Winterbotham, Chair of Events and Fundraising also left the Board during the year. Padley owes them all a great debt of gratitude.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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The Board would also like to publicly acknowledge their appreciation of the Padley staff and volunteers without whom our achievements would not have been possible. Staff and volunteers continue to go beyond 'the call of duty' to support our many clients which enables the service to function effectively.

As ever, Padley has worked with many organisations in Derby and throughout the county, region and the UK to deliver services throughout the year. They are too numerous to name individually, but we would like to thank all of those organisations and individuals who worked with us to help our clients move on in their lives, gave us advice and guidance helped improve our physical surroundings and gave time and energy so generously throughout the year.

We would also like to acknowledge with gratitude the on-going support we receive from the Churches in Derby and Derbyshire who continue to support so strongly the organisation that they founded.

We are also grateful to the schools in Derby and Derbyshire and the many businesses, organisations and individuals that are established contributors to the running of the services we deliver through funding, donations and volunteering their time. We are also grateful for the support of Derby City Council and Public Health who whilst they no longer provide grant funding to Padley continue to work with us to offer services to the most vulnerable in our society. Our thanks also go to the office of the Police & Crime Commissioner for providing funding to extend our services at the homeless Centre and provide on-going services to some of the most vulnerable in our society. Our thanks must also go to the NHS both nationally and locally and the Police and many other statutory bodies with whom we work on a daily basis to rebuild shattered lives and gain recognition of the ability in people rather than the disability.

Finally, we would like to acknowledge specifically the Rotary Clubs across Derbyshire, the Lions, members of Women's Institutes, businesses, organisations and groups of all kinds who responded to the Padley4000 Campaign when it was launched and have continued to support it. We will always be enormously grateful for your wonderful, generous and caring response to our need for help.

#### **TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the directors of The Padley Group for the purposes 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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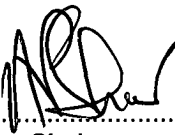
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

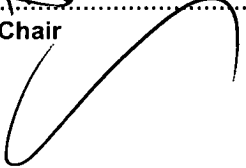
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Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the Group strategic report, was approved by the Trustees, on 6/12/18 and signed on their behalf by:

  
.....  
A Shaw, Chair



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PADLEY GROUP**

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**OPINION**

We have audited the financial statements of The Padley Group (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 set out on pages 12 to 30. 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 group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure 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 and the Charities Act 2011.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PADLEY GROUP**

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We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Group strategic report.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charity for the purposes 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 group's and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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 Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PADLEY GROUP**

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**USE OF OUR REPORT**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Wayne Thomas ACA (Senior statutory auditor)  
for and on behalf of

**Bates Weston Audit Ltd**

Statutory Auditors

Chartered Accountants

The Mills

Canal Street

Derby

DE12RJ

Date: **14 DEC 2018**

**THE PADLEY GROUP**  
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>					
Donations and legacies	2	143,799	49,505	193,304	177,830
Charitable activities	3	313,353	131,489	444,842	323,088
Charitable fundraising and other trading activities	4	79,188	-	79,188	76,773
Investments	5	621	-	621	900
<b>TOTAL INCOME</b>		<b>536,961</b>	<b>180,994</b>	<b>717,955</b>	<b>578,591</b>
<b>EXPENDITURE ON:</b>					
Costs of raising funds	7	15,605	-	15,605	15,110
Costs of generating other income		83,840	-	83,840	81,751
Charitable activities	8	391,668	147,051	538,719	573,540
<b>TOTAL EXPENDITURE</b>		<b>491,113</b>	<b>147,051</b>	<b>638,164</b>	<b>670,401</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>45,848</b>	<b>33,943</b>	<b>79,791</b>	<b>(91,810)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>45,848</b>	<b>33,943</b>	<b>79,791</b>	<b>(91,810)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		168,940	148,585	317,525	409,335
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>214,788</b>	<b>182,528</b>	<b>397,316</b>	<b>317,525</b>

The notes on pages 16 to 30 form part of these financial statements.

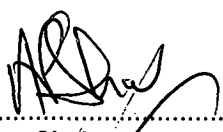
**THE PADLEY GROUP**  
(A company limited by guarantee)  
REGISTERED NUMBER: 2769300

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	10		159,256		171,220
<b>CURRENT ASSETS</b>					
Stocks		441		1,093	
Debtors	12	18,966		23,369	
Investments	13	131,719		131,102	
Cash at bank and in hand		134,447		46,114	
		<u>285,573</u>		<u>201,678</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(47,513)		(55,373)	
<b>NET CURRENT ASSETS</b>			<u>238,060</u>		<u>146,305</u>
<b>NET ASSETS</b>			<u>397,316</u>		<u>317,525</u>
<b>CHARITY FUNDS</b>					
Restricted funds	15		182,528		148,585
Unrestricted funds	15		214,788		168,940
<b>TOTAL FUNDS</b>			<u>397,316</u>		<u>317,525</u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 06 12 18 and signed on their behalf, by:

  
.....  
A Shaw, Chair

The notes on pages 16 to 30 form part of these financial statements.

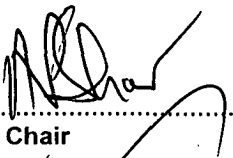
**THE PADLEY GROUP**  
(A company limited by guarantee)  
REGISTERED NUMBER: 2769300

**CHARITY BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	10		109,431		116,895
Investments	11		2		2
			<u>109,433</u>		<u>116,897</u>
<b>CURRENT ASSETS</b>					
Stocks		441		1,093	
Debtors	12	14,025		17,528	
Investments	13	131,719		131,102	
Cash in hand		113,956		26,781	
		<u>260,141</u>		<u>176,504</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(60,291)		(54,336)	
<b>NET CURRENT ASSETS</b>			<u>199,850</u>		<u>122,168</u>
<b>NET ASSETS</b>			<u>309,283</u>		<u>239,065</u>
<b>CHARITY FUNDS</b>					
Restricted funds	15		163,153		148,585
Unrestricted funds	15		146,130		90,480
<b>TOTAL FUNDS</b>			<u>309,283</u>		<u>239,065</u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 6/12/18 and signed on their behalf, by:

  
A Shaw, Chair

The notes on pages 16 to 30 form part of these financial statements.



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**THE PADLEY GROUP**  
(A company limited by guarantee)

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	17	<u>88,950</u>	<u>(75,260)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>88,950</u>	<u>(75,260)</u>
Cash and cash equivalents brought forward		177,216	252,476
<b>Cash and cash equivalents carried forward</b>	18	<u><u>266,166</u></u>	<u><u>177,216</u></u>

The notes on pages 16 to 30 form part of these financial statements.

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**THE PADLEY GROUP**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Padley Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

**1.2 Company status**

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

**1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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**THE PADLEY GROUP**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

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**THE PADLEY GROUP**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Basis of consolidation**

The financial statements consolidate the accounts of The Padley Group and all of its subsidiary undertakings ('subsidiaries').

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

**1.7 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	over the period of the lease (99 years)
Motor vehicles	-	25% per annum straight line basis

**1.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments in subsidiaries are valued at cost less provision for impairment.

**1.9 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.10 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Donated goods cannot be valued reliably thus excluded from the accounts.

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**THE PADLEY GROUP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.12 Pensions**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**2. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	134,171	1,000	135,171	131,661
Legacies	9,628	-	9,628	-
Padley 4000	-	48,505	48,505	46,169
	<u>143,799</u>	<u>49,505</u>	<u>193,304</u>	<u>177,830</u>
<i>Total 2017</i>	<u>131,661</u>	<u>46,169</u>	<u>177,830</u>	

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hostel income	177,477	-	177,477	154,610
Social Services Development Centre Arts and pottery contract	-	-	-	7,454
Joint funding with Primary Care Trust	-	-	-	10,714
Grant income	11,769	131,489	143,258	6,332
Catering and product sales	25,357	-	25,357	39,266
Educational classes	98,750	-	98,750	104,712
	<u>313,353</u>	<u>131,489</u>	<u>444,842</u>	<u>323,088</u>
<i>Total 2017</i>	<u>304,920</u>	<u>18,168</u>	<u>323,088</u>	

**THE PADLEY GROUP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**4. INCOME FROM CHARITABLE FUNDRAISING AND OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising	34,989	-	34,989	29,549
Trading income	44,199	-	44,199	47,224
	<u>79,188</u>	<u>-</u>	<u>79,188</u>	<u>76,773</u>
<i>Total 2017</i>	<u>76,773</u>	<u>-</u>	<u>76,773</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest on cash deposits	621	-	621	900
	<u>900</u>	<u>-</u>	<u>900</u>	
<i>Total 2017</i>	<u>900</u>	<u>-</u>	<u>900</u>	

**6. DIRECT COSTS**

	Generated funds £	Charitable Activities £	Total 2018 £	Total 2017 £
Training and personnel	555	4,453	5,008	3,962
Indirect costs	1,525	22,563	24,088	23,456
Property and equipment	116	7,532	7,648	12,425
Administration	1,002	4,804	5,806	14,355
Heat, light and water	3,860	24,073	27,933	24,085
Rent, rates and insurance	15,411	39,999	55,410	56,836
Direct costs	2,387	16,625	19,012	28,692
Wages and salaries	-	324,359	324,359	342,290
National insurance	-	17,934	17,934	17,082
Pension cost	-	6,761	6,761	7,961
Depreciation	4,500	7,464	11,964	11,964
	<u>29,356</u>	<u>476,567</u>	<u>505,923</u>	<u>543,108</u>
<i>Total 2017</i>	<u>29,347</u>	<u>513,761</u>	<u>543,108</u>	

**THE PADLEY GROUP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**7. SUPPORT COSTS**

	Raising funds £	Generated funds £	Charitable Activities £	Total 2018 £	Total 2017 £
Insurance	463	1,617	1,844	3,924	6,003
Finance costs	271	947	1,081	2,299	1,735
Legal and professional fees	573	2,001	2,282	4,856	2,922
Training and personnel	191	667	760	1,618	2,217
Property and equipment	164	575	656	1,395	1,120
Administration	747	2,608	2,975	6,330	5,817
Auditors remuneration	1,027	3,584	4,089	8,700	7,139
Fundraising and publicity	874	3,050	3,479	7,403	4,974
Wages and salaries	10,339	36,098	41,180	87,617	87,942
National insurance	622	2,170	2,475	5,267	4,260
Pension cost	334	1,167	1,331	2,832	3,164
	<u>15,605</u>	<u>54,484</u>	<u>62,152</u>	<u>132,241</u>	<u>127,293</u>
<i>Total 2017</i>	<u>15,110</u>	<u>52,404</u>	<u>59,779</u>	<u>127,293</u>	

**8. ANALYSIS OF RESOURCES EXPENDED BY CHARITABLE ACTIVITIES**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Day Centre	161,531	20,718	182,249	190,157
Hostel	173,227	20,717	193,944	228,721
Development Centre	141,809	20,717	162,526	154,662
	<u>476,567</u>	<u>62,152</u>	<u>538,719</u>	<u>573,540</u>
<i>Total 2017</i>	<u>513,761</u>	<u>59,779</u>	<u>573,540</u>	

**THE PADLEY GROUP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**9. STAFF COSTS**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	411,976	430,232
Social security costs	23,201	21,342
Pension costs	9,593	11,125
	<u>444,770</u>	<u>462,699</u>

The average number of persons employed by the Charity during the year was as follows:

2018 No.	2017 No.
23	24

No employee received remuneration amounting to more than £60,000 in either year.

No trustee received any remuneration for their services. During the period £699 (2017: £371) was incurred by the organisation in travel costs for specific duties carried out by the trustees.

Key management personnel are considered to be the Chief Executive Officer and Finance Officer who received total remuneration of £67,561 (2017: £68,905).

**10. TANGIBLE FIXED ASSETS**

Group	Long-term leasehold property £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2017 and 31 March 2018	386,411	5,000	391,411
<b>Depreciation</b>			
At 1 April 2017	215,191	5,000	220,191
Charge for the year	11,964	-	11,964
At 31 March 2018	227,155	5,000	232,155
<b>Net book value</b>			
At 31 March 2018	159,256	-	159,256
At 31 March 2017	171,220	-	171,220



**THE PADLEY GROUP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**10. TANGIBLE FIXED ASSETS (continued)**

	Long-term leasehold property £
<b>Charity</b>	
<b>Cost</b>	
At 1 April 2017 and 31 March 2018	272,707
<b>Depreciation</b>	
At 1 April 2017	155,812
Charge for the year	7,464
At 31 March 2018	163,276
<b>Net book value</b>	
At 31 March 2018	109,431
At 31 March 2017	116,895

**11. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>Charity</b>	
<b>Cost</b>	
At 1 April 2017 and 31 March 2018	2

Padley Trading Limited is a wholly owned subsidiary. Its results have been included in the consolidated financial statements. The company is incorporated in England and Wales, and its principal activity was that of the sale of donated clothing and bric-a-brac, and the operation of a clothing recycling unit.

During the year ended 31 March 2018 Padley Trading limited reported a turnover of £44,198 (2017: £47,224) and an operating profit for the year of £9,572 (2017: £16,382). At the balance sheet date the company had net assets of £88,034 (2017: net liabilities of £192,459).

**THE PADLEY GROUP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**12. DEBTORS**

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	5,322	5,745	5,322	5,745
Other debtors	3,451	7,414	3,121	7,155
Prepayments and accrued income	10,193	10,210	5,582	4,628
	<u>18,966</u>	<u>23,369</u>	<u>14,025</u>	<u>17,528</u>

**13. CURRENT ASSET INVESTMENTS**

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Unlisted investments	<u>131,719</u>	<u>131,102</u>	<u>131,719</u>	<u>131,102</u>

**14. CREDITORS: Amounts falling due within one year**

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	16,187	21,831	16,187	21,831
Amounts owed to group undertakings	-	-	13,814	-
Social security and other taxes	8,223	8,567	8,223	8,567
Accruals and deferred income	23,103	24,975	22,067	23,938
	<u>47,513</u>	<u>55,373</u>	<u>60,291</u>	<u>54,336</u>

	<u>Group and Charity</u>	
	£	£
<b>Deferred income</b>		
Deferred income at 1 April 2017	8,897	8,897
Resources deferred during the year	3,610	3,610
Amounts released from previous years	(8,897)	(8,897)
Deferred income at 31 March 2018	<u>3,610</u>	<u>3,610</u>

**THE PADLEY GROUP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**15. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
<b>Designated funds</b>				
Website	3,000	-	(3,000)	-
<b>General funds</b>				
General Funds - all funds	165,940	536,961	(488,113)	214,788
Total Unrestricted funds	168,940	536,961	(491,113)	214,788

The designated fund represents monies received of £3,000 specifically for the development of a new website.

**Restricted funds**

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
Co-op Making a Difference Community Dividend	-	5,000	(3,492)	1,508
Day centre refurbishments	80,877	-	(6,600)	74,277
EMDA - Recycling centre capital grant	67,708	-	(864)	66,844
Hedley Foundation	-	1,000	(979)	21
Jeff Weller	-	2,000	(2,000)	-
Lloyds Bank Foundation	-	14,852	(2,553)	12,299
Padley 4000 fundraising	-	48,505	(48,505)	-
PCC	-	20,000	(12,796)	7,204
PCC - Grant 2	-	77,500	(58,125)	19,375
Percy Bilton	-	2,089	(2,089)	-
The Gordon Trust	-	1,000	-	1,000
Tom Carey	-	9,048	(9,048)	-
	148,585	180,994	(147,051)	182,528
Total of funds	317,525	717,955	(638,164)	397,316

The Making a Difference Community Dividend fund relates to a grant from Central England Co-Operative awarded to contribute to IT equipment for the Charity.

Day Centre refurbishment represents funds received of £50,000 from Derby City Council and £174,000 from the National Lottery to acquire the lease of the Day Centre. The fund is being written off over the useful life of the asset in accordance with its depreciation policy.

**THE PADLEY GROUP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**15. STATEMENT OF FUNDS (continued)**

East Midlands Development Agency fund relates to £24,638 received in 2002 to purchase the freehold building now forming the Recycling Centre, and £62,462 received in 2003 towards the cost of refurbishing that building.

At the Development Centre we provide staff and facilities to provide therapeutic day care, offering pottery, arts and crafts.

The Hedley Foundation fund relates to a grant received to undertake A Day to Remember project, whereby Padley Development Centre learners have a day out in the Spring.

The Jeff Weller grant provided funding for the delivery of a 40 week annual cookery and catering course for residents of the Hostel.

The Lloyds Bank Foundation grant fund relates to monies received to fund consultancy fees, the implementation of a new monitoring system and staff training to enable staff to use the system.

Padley 4000 is an initiative to create donations to enable the Homeless Centre to continue its activities.

PCC is the Police Crime Commissioner grant received to help fund the opening of the Homeless Centre Bistro for longer hours two days a week.

The Percy Bilton fund relates to a grant towards new garden furniture from The Percy Bilton Charity.

The Gordon Trust fund relates to monies received to help fund the making of the outdoor space for the day centre.

Tom Carey relates to monies received to fund enriching creative activities for the day centre visitors.

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 April 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2017 £</i>
<b>Designated funds</b>					
Website	3,000	-	-	-	3,000
<b>General funds</b>					
General Funds - all funds	111,856	510,921	(595,267)	138,430	165,940
Total Unrestricted funds	114,856	510,921	(595,267)	138,430	168,940

**THE PADLEY GROUP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**15. STATEMENT OF FUNDS (continued)**

**Restricted funds**

	<i>Balance at 1 April 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2017 £</i>
Day centre refurbishments	87,477	-	(6,600)	-	80,877
Art and Pottery contract	-	7,454	(7,454)	-	-
Joint funding with Primary Care	-	10,714	(10,714)	-	-
EMDA - Recycling centre capital grant	68,572	-	(864)	-	67,708
Padley 4000 fundraising	138,430	46,169	(46,169)	(138,430)	-
PCC	-	3,333	(3,333)	-	-
	<u>294,479</u>	<u>67,670</u>	<u>(75,134)</u>	<u>(138,430)</u>	<u>148,585</u>
Total of funds	<u>409,335</u>	<u>578,591</u>	<u>(670,401)</u>	<u>-</u>	<u>317,525</u>

**SUMMARY OF FUNDS - CURRENT YEAR**

	<i>Balance at 1 April 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2018 £</i>
Designated funds	3,000	-	(3,000)	-
General funds	165,940	536,961	(488,113)	214,788
	<u>168,940</u>	<u>536,961</u>	<u>(491,113)</u>	<u>214,788</u>
Restricted funds	148,585	180,994	(147,051)	182,528
	<u>317,525</u>	<u>717,955</u>	<u>(638,164)</u>	<u>397,316</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. STATEMENT OF FUNDS (continued)**

**SUMMARY OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 April 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2017 £</i>
Designated funds	3,000	-	-	-	3,000
General funds	111,856	510,921	(595,267)	138,430	165,940
	<u>114,856</u>	<u>510,921</u>	<u>(595,267)</u>	<u>138,430</u>	<u>168,940</u>
Restricted funds	294,479	67,670	(75,134)	(138,430)	148,585
	<u>409,335</u>	<u>578,591</u>	<u>(670,401)</u>	<u>-</u>	<u>317,525</u>

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	18,135	141,121	159,256
Current assets	244,166	41,407	285,573
Creditors due within one year	(47,513)	-	(47,513)
	<u>214,788</u>	<u>182,528</u>	<u>397,316</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	22,635	148,585	171,220
Current assets	201,678	-	201,678
Creditors due within one year	(55,373)	-	(55,373)
	<u>168,940</u>	<u>148,585</u>	<u>317,525</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the year (as per Statement of Financial Activities)	<b>79,791</b>	<b>(91,810)</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>11,964</b>	<b>11,964</b>
Decrease/(increase) in stocks	<b>652</b>	<b>(388)</b>
Decrease in debtors	<b>4,403</b>	<b>34,474</b>
Decrease in creditors	<b>(7,860)</b>	<b>(29,500)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>88,950</b>	<b>(75,260)</b>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>134,447</b>	<b>46,114</b>
Investments	<b>131,719</b>	<b>131,102</b>
<b>Total</b>	<b>266,166</b>	<b>177,216</b>

**19. PENSION COMMITMENTS**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £9,700 (2017 - £11,125). Contributions totalling £1,193 (2017 - £1,471) were payable to the fund at the balance sheet date and are included in creditors.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**20. OPERATING LEASE COMMITMENTS**

At 31 March 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Group</b>		
<b>Amounts payable:</b>		
Within 1 year	13,966	13,546
Between 1 and 5 years	961	1,596
<b>Total</b>	<u>14,927</u>	<u>15,142</u>

At 31 March 2018 the Charity had annual commitments under non-cancellable operating leases as follows:

	2018 £	2017 £
<b>Charity</b>		
<b>Amounts payable:</b>		
Within 1 year	1,566	1,494
Between 1 and 5 years	961	1,946
After more than 5 years	-	-
<b>Total</b>	<u>2,742</u>	<u>3,440</u>

**21. OTHER FINANCIAL COMMITMENTS**

The Charity has extended its housing management contract with Metropolitan Housing Trust Limited, for the top floor of Systems House, for 3 years commencing 1 April 2017. The management fee from Metropolitan is £30,000 per year.