

South Leeds Alternative Trading Enterprise Limited

Charity number 1149293

A company limited by guarantee number 06394383

Annual Report and Financial Statements for the year ended 31 March 2016

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South Leeds Alternative Trading Enterprise Limited

Annual Report and Financial Statements for the year ended 31 March 2016

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Prepared by West Yorkshire Community Accounting Service

South Leeds Alternative Trading Enterprise Limited

Trustees' report for the year ended 31 March 2016

Reference and administrative details of the charity, its trustees and advisors

The trustees during the financial year and up to and including the date the report was approved were:

Name	Position	Dates
Jude McCarthy		
Frances Woolaston		
Veronica Mee		
Samantha Barnard		Resigned January 2016
Edward Carlisle		Appointed June 2015
Richard Wixey		
Keith Garrard		

Company secretary

Charity number	1149293	Registered in England and Wales
Company number	06394383	Registered in England and Wales

Registered and principal address

Unit 1 Balm Road Industrial Park
Balm Road, Hunslet
Leeds
LS10 2BG

Bankers

Lloyds TSB Bank plc
Vicar Lane Branch
2 The Headrow
Leeds
LS1 6PN

Co-operative Bank plc
PO Box 250
Skelmersdale
WN8 6WT

Independent examiner

Simon Bostrom FCIE

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

Structure, governance and management

The charity is a company limited by guarantee and was formed on 9 October 2007. It is governed by a memorandum and articles of association as amended by special resolutions on 1 October 2012 and 9 October 2012. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £10. The company was registered as a charity on 11 October 2012.

Method of recruitment and appointment of trustees

The trustees of the charity are also the directors for the purposes of company law and are appointed by the members at the AGM.

South Leeds Alternative Trading Enterprise Limited

Trustees' report (continued) for the year ended 31 March 2016

Objectives and activities

The charity's objects

(1) To further such charitable purposes falling within the description of charitable purposes. Being the advancement of citizenship or community development - Charitable purposes that fall within this description being:

- a) The promotion of good citizenship and civic responsibility.
- b) The promotion of urban and rural regeneration.
- c) The promotion of volunteering for the public benefit.
- d) The promotion of the voluntary sector for the public benefit.
- e) Promoting the efficiency and effectiveness of charities and the effective use of charitable resources.
- f) The promotion of community capacity building; and by promoting or advancing exclusively charitable purposes of charities involved with social investment.

(2) To advance education and training for the public benefit.

(3) To relieve those in need and to promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society - "Socially excluded" means being excluded from society, or part of society, as a result of being a member of a socially and economically deprived community - by undertaking charitable activities which assist those by reason of their age, ill-health, disability, financial hardship or other disadvantage.

(4) To protect and preserve the environment for the public benefit by the promotion of waste reduction, refuse reclamation, recycling, the re-use and repair of recycled products and the use of surplus.

(5) To further such other charitable purposes as the trustees may determine from time to time. The aim being to address the well-being of socially and economically disadvantaged communities in Leeds. 'Well-being' shall mean ensuring the basic needs of individuals and the community are met in relation to health, education, financial security, employment, the built environment and access to public services, amenities and recreation facilities.

The charity's main activities

To carry on activities which benefit the community and in particular (without limitation) to contribute to the social, environmental and economic well-being of the people of South Leeds by setting up not for profit social enterprise businesses with environmental and social aims which offer work opportunities to people with learning and other difficulties.

Public benefit statement

In setting our objectives and planning our activities our Trustees have given serious consideration to the Charity Commission's general guidance on public benefit.

Achievements and performance

South Leeds Alternative Trading Enterprise has continued during the past year to operate The Feel Good Furniture Shop on Low Road in Hunslet, Leeds. We opened a second furniture shop in Armley in March 2015 and this shop has continued to grow since opening. This year has seen an investment in staff, resources and equipment to allow us to operate two retail sites. Both shops allow us to continue to supply affordable used furniture and electrical items to people in need in South Leeds and surrounding areas rather than these items going to landfill. The shops have experienced a large increase in demand for its goods during the last year and this is in part due to the efforts of the staff and volunteers that work hard to offer a good service to our customers.

South Leeds Alternative Trading Enterprise Limited

Trustees' report (continued) for the year ended 31 March 2016

Achievements and performance continued

We continue to provide volunteering and employment for people with Learning Disabilities. We have continued to support two ring fenced posts for adults with learning disabilities to work as a driver's mate assisting with the delivery and collection of our furniture and other items. We also support a number of volunteers with learning disabilities to experience a work style environment that is supportive and encouraging to build their confidence and work related skills. We have also continued to offer volunteering opportunities to people with mental health issues and other disabilities to ensure that they can increase their skills, confidence and employability.

Our shop would not exist without the generous people who donate their unwanted, pre-loved furniture. We Continue to provide free collection of quality used furniture, helping people de-clutter their houses, dispose of "old" things when they are buying new, or find a home for a deceased relative's treasured possessions. Thank you to all our donors! We are also grateful to Leeds City Council Waste Management, who encourage us to collect from the Holmewell Road Waste Sorting Site in Middleton.

The Feel Good Café that operates in Beeston has gone from strength to strength. It allows us to offer training and volunteering in catering to adults with learning disabilities and other members of the local community. We are also running community cooking classes to help educate local families about the benefits of freshly prepared meals.

Plans For The Future

We hope that our new furniture outlet in Armley will continue to grow and become established in the local community after a very successful first year of operation. We hope that this will allow us to offer more training, employment and volunteering opportunities to people with learning disabilities and other difficulties. We hope this further outlet will allow us to divert more useable furniture and electrical items from landfill.

Financial review

The growth in Furniture sales has seen our trading income grow over this past year. We are grateful to all funders that have given us grants over the past year including Leeds City Council Adult Social Care; The People's Health Trust; and Leeds City Council members Inner Area South Committee for their continued support. We would also like to thank The Key Fund for their continuing finance and investment support.

The net expenditure for the year was £41,561, including net expenditure of £18,436 on unrestricted funds and net expenditure of £23,125 on restricted funds.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £105,866, which represents approximately 3 month's of budgeted expenditure for 2016/ 17 (£347,123).

The trustees aim to maintain sufficient reserve funds to cover between 3 and 6 months operating expenditure.

South Leeds Alternative Trading Enterprise Limited

Trustees' report (continued) for the year ended 31 March 2016

Statement of trustees' responsibilities

The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustees report and the financial statements in accordance with the applicable law and UK Accounting Standards.

Company law requires the trustees to prepare financial accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

select suitable accounting policies and 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;

prepare the accounts on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial accounts 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.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRSSE)), and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Signed on behalf of the board of trustees:

Signed..... (Trustee)

Name.....

Date..... 5 Dec 2016

South Leeds Alternative Trading Enterprise Limited

Independent examiner's report to the trustees of South Leeds Alternative Trading Enterprise Limited

I report on the accounts of the charitable company for the year ended 31 March 2016, which are set out on pages 7 to 12.

Respective responsibilities of the trustees and the examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to examine the accounts under section 145 of the 2011 Act, follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act and state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

1) which gives me reasonable cause to believe that in any material respect the requirements:

to keep accounting records in accordance with section 386 of the Companies Act 2006; and

to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRSSE)).

have not been met; or

2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed: 

Name: Simon Bostrom

Relevant professional qualification or body: FCIE

Date: 6/12/16

West Yorkshire Community Accounting Service

Stringer House
34 Lupton Street
Leeds
LS10 2QW

South Leeds Alternative Trading Enterprise Limited

Statement of Financial Activities

(including summary income and expenditure account)

for the year ended 31 March 2016

	Notes	2016 Unrestricted funds £	2016 Restricted funds £	2016 Total funds £	2015 Total funds £
Incoming resources					
Grants and donations	(2)	13,328	45,452	58,780	95,427
Furniture sales		192,545	-	192,545	156,514
Cafe sales		61,460	-	61,460	71,249
Other sales and fees		8,473	-	8,473	5,309
Recycling credits		14,006	-	14,006	3,962
Other income		17,564	-	17,564	11,380
Bank interest		84	-	84	71
Total incoming resources		307,460	45,452	352,912	343,912
Resources expended					
Salaries, NIC's and payroll costs	(3)	142,812	67,445	210,257	148,276
Recruitment		59	-	59	177
Volunteer expenses		4,446	-	4,446	6,002
Conference and training		9,450	650	10,100	5,194
Furniture store purchases		5,244	-	5,244	4,222
Cafe purchases		22,145	432	22,577	30,222
Repairs and maintenance		9,996	-	9,996	4,397
Vehicle maintenance and fuel		15,731	-	15,731	11,873
Postage, phone and internet		4,606	-	4,606	1,341
Office consumables		6,288	-	6,288	2,939
Advertising and publicity		4,967	-	4,967	4,227
Registrations and subscriptions		2,386	-	2,386	1,205
Rent, rates and utilities		53,535	-	53,535	51,920
Insurance		4,629	-	4,629	3,355
Clothing and uniforms		267	-	267	928
Bank charges		2,601	-	2,601	1,395
Accountancy and independent examination		1,695	-	1,695	1,400
Loan interest payable		2,275	-	2,275	1,408
Awaydays and team building		2,672	50	2,722	1,519
Freelancers		22,977	-	22,977	26,194
Depreciation		7,115	-	7,115	4,999
Total resources expended		325,896	68,577	394,473	313,193
Net income / (expenditure) before transfers		(18,436)	(23,125)	(41,561)	30,719
Fund balances brought forward		132,868	23,125	155,993	125,274
Fund balances carried forward	(4)	114,432	-	114,432	155,993

All Incoming resources and resources expended derive from continuing activities.

South Leeds Alternative Trading Enterprise Limited

Balance sheet

as at 31 March 2016

		2016	2016	2016	2015
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Fixed assets					
Tangible assets	(5)	16,344	-	16,344	14,996
Total fixed assets		<u>16,344</u>	<u>-</u>	<u>16,344</u>	<u>14,996</u>
Current assets					
Debtors and prepayments	(6)	27,589	-	27,589	32,306
Cash at bank and in hand	(7)	92,744	-	92,744	143,624
Total current assets		<u>120,333</u>	<u>-</u>	<u>120,333</u>	<u>175,930</u>
Current liabilities:					
amounts falling due within one year					
Creditors and accruals	(8)	14,467	-	14,467	15,489
Total current liabilities		<u>14,467</u>	<u>-</u>	<u>14,467</u>	<u>15,489</u>
Net current assets / (liabilities)		<u>105,866</u>	<u>-</u>	<u>105,866</u>	<u>160,441</u>
Total assets less current liabilities		<u>122,210</u>	<u>-</u>	<u>122,210</u>	<u>175,437</u>
Creditors: amounts falling due after one year	(9)	7,778	-	7,778	19,444
Net assets		<u>114,432</u>	<u>-</u>	<u>114,432</u>	<u>155,993</u>
Funds					
Unrestricted funds		114,432	-	114,432	132,868
Restricted funds		-	-	-	23,125
Total funds		<u>114,432</u>	<u>-</u>	<u>114,432</u>	<u>155,993</u>

For the year ending 31 March 2016 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The trustees (who also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the board of trustees on 5-12-2016

Signed: 

(Trustee)

Name Jude McCarty

South Leeds Alternative Trading Enterprise Limited

Notes to the accounts

for the year ended 31 March 2016

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRSSE)) the Companies Act 2006 and Financial Reporting Standard for Smaller Entities (effective January 2015).

There has been no change to the accounting policies since last year.

No changes have been made to the accounts for previous years.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, the trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient reliability.

Grants and donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Where grants are related to performance and specific deliverables, they are accounted for as the charity earns the right to consideration by its performance.

Donated goods for resale are valued at the amount actually realised upon their sale.

Expenditure and liabilities

Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out the resources.

Taxation

As a charity the organisation benefits from rates relief and is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition. Gifted assets are shown at the value to the charity on receipt. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Motor vehicles: over 4 years

Fixtures and fittings: over 4 years

Equipment: over 4 years

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are recognised in the year they are payable.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Leases

Rents under operating leases are charged on a straight line basis over the lease term or to an earlier date if the lease can be determined without financial penalty.

South Leeds Alternative Trading Enterprise Limited

Notes to the accounts continued

for the year ended 31 March 2016

2 Grants and donations	2016 Unrestricted funds £	2016 Restricted funds £	2016 Total funds £	2015 Total funds £
Leeds City Council - Adult Social Care (ASC)	-	37,000	37,000	37,000
Yorkshire Venture Philanthropy Fund (YVPF)	-	-	-	35,000
LCC Area Committee	-	-	-	9,000
Leeds Inspired	-	-	-	5,625
The Peoples Health Trust	-	4,692	4,692	4,692
Leeds City College	-	-	-	3,000
Your Consortium	-	3,060	3,060	-
Revive Leeds	12,580	-	12,580	-
Arise	-	650	650	-
Other donations	748	50	798	1,110
	<u>13,328</u>	<u>45,452</u>	<u>58,780</u>	<u>95,427</u>

3 Staff costs and numbers	2016 £	2015 £
Gross salaries	207,460	143,790
Social security costs	564	2,968
Payroll charges	2,233	1,518
	<u>210,257</u>	<u>148,276</u>

The average number employees during the year was 19, being an average of 12 full time equivalent (2015: 13, 7 FTE).

There were no employees with emoluments above £60,000.

4 Restricted funds	Balance b/f £	Incoming £	Outgoing £	Transfers £	Balance c/f £
LCC ASC (delivery team)	-	37000	37000	-	-
YVPF	17500	-	17500	-	-
Leeds Inspired	5625	-	5625	-	-
The Peoples Health Trust	-	4,692	4,692	-	-
Your Consortium	-	3,060	3,060	-	-
Arise	-	650	650	-	-
MICE	-	50	50	-	-
	<u>23,125</u>	<u>45,452</u>	<u>68,577</u>	<u>-</u>	<u>-</u>

Fund name

Purpose of restriction

LCC ASC (delivery team)	To provide alternative day care services
YVPF	Funding to expand the furniture operation
Leeds Inspired	To run an artistic training course which will take place in 2015/16
The Peoples Health Trust	To run educational cooking classes for the local community
Your Consortium	To cover the salaries for a work placement
Arise	Towards training costs
MICE	Towards SLATE's 10 year celebration

South Leeds Alternative Trading Enterprise Limited

Notes to the accounts continued

for the year ended 31 March 2016

5 Tangible assets	Fixtures and Fittings	Equipment	Motor vehicles	Total
Cost		£	£	£
At 1 April 2015	-	-	40,668	40,668
Additions	7,263	1,200	-	8,463
At 31 March 2016	7,263	1,200	40,668	49,131
Depreciation				
At 1 April 2015	-	-	25,672	25,672
Charge for year	1,816	300	4,999	7,115
At 31 March 2016	1,816	300	30,671	32,787
Net book value				
At 31 March 2016	5,447	900	9,997	16,344
At 31 March 2015	-	-	14,996	14,996
6 Debtors and prepayments			2016 £	2015 £
Debtors			20,992	25,270
Prepayments			6,597	7,036
			27,589	32,306
7 Cash at bank and in hand			2016 £	2015 £
Lloyds TSB current account			2,804	2,296
Lloyds TSB savings account			49,835	49,810
Co-op current			12,237	30,748
Co-op savings			2,235	31,320
Co-op Café			4,814	8,957
Cash in hand			307	542
Triodos savings			19,100	19,100
Undeposited funds			1,412	851
			92,744	143,624
8 Creditors and accruals			2016 £	2015 £
Creditors			-	484
Accruals			2,800	3,338
Key Fund loan			11,667	11,667
			14,467	15,489
9 Creditors and accruals due after one year			2016 £	2015 £
Key Fund loan			7,778	19,444
			7,778	19,444

South Leeds Alternative Trading Enterprise Limited
Notes to the accounts continued
for the year ended 31 March 2016

10 Trustee expenses

No trustee received any expenses during the year.

11 Related party transactions

There were no related party transactions during the year.

12 Operating leases

Payments committed to in the next 12 months analysed into those in which the commitment expires:

	Balm Road warehouse	Low Road shop	Canal Road shop
	£	£	£
Within one year			
In the second to fifth years inclusive	19,250	21,000	7,500
Over five years from the balance sheet date			
	<u>19,250</u>	<u>21,000</u>	<u>7,500</u>

13 Security over assets

Key Fund Investments Ltd holds a floating charge over the charity's property, assets and rights in respect of the Key Fund loan disclosed in notes 8 and 9.