

Company Number: 02304802
Charity Number: 701982

THE CELLAR TRUST

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

THE CELLAR TRUST

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Directors and Trustees present their report for the year ended 31 March 2017.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS.

The Cellar Trust is a charitable trust. It was first registered as a charity on 19th September 1989 registration number 701982.

It is also a limited company by guarantee number 02304802.

The Registered Office and operating address is:

The Old School
Farfield Road,
Shipley,
West Yorkshire BD18 4QP

The directors of the company who are also charity trustees and who served through the year and up to the date of this report are:

David Cockett (appointed Chair on 31 January 2017)
Ken Priestley (appointed Vice Chair on 31 January 2017)
Duncan Ault (Treasurer)
Christine Freeth
Laura Flatman
Charles Chadwick
Victoria Hayhurst (resigned on 31 January 2017)
Christian Richmond (appointed 31 January 2017)
Mick James (appointed 26 July 2017)

In line with Charity Commission recommendations the Chair, previously Ken Priestley, and Vice-Chair, previously David Cockett, rotated their roles in January 2017.

Chief Executive Officer: Kim Shutler-Jones

Bankers:	CAF Bank Ltd West Malling Kent ME19 4TA
	TSB plc Thomas Duggan House Well Croft Shipley BD18 3QH
Independent Examiner:	Armstrong Watson LLP Third Floor 10 South Parade Leeds LS1 5QS

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

STRUCTURE GOVERNANCE AND MANAGEMENT

The Charity is constituted as a company limited by guarantee and is, therefore, governed by a memorandum and articles of association. These were updated in 2016 when the organisation made some minor adjustments to the articles of association.

All directors of the business are trustees of the charity and members of the Board of Trustees. They are listed on page 2.

Appointment of directors and trustees

New trustees are recruited and co-opted onto the Board by the existing trustees. There is an ongoing commitment to seek out individuals who can strengthen the Board and bring complementary skills to the team. As such additional appointments have been made in the past 12 months.

All directors give their time voluntarily. Any expenses reclaimed by directors from the charity are set out in note 9 to the accounts.

Induction and training of directors and trustees

The induction programme for new trustees includes a formal briefing with the Chief Executive. An induction pack is also available for new trustees.

The ongoing training needs of the trustees are regularly reviewed by the Board and external training courses are arranged as necessary to ensure that the trustees are familiar with any new development or legislation affecting their role.

Organisational structure

The Board of Trustees is responsible for setting the strategic direction of the Charity and for overseeing the work of the CEO. The Board of trustees have delegated to the CEO the day to day responsibility for the leadership and operational delivery of the Charity. A team of paid staff and volunteers provide further help and assistance in the activities of the charity. The policies of the charity are made by the trustees.

The Board meets bimonthly to review the progress of the charity including strategy, finance, policies, management issues and future plans. In addition the Finance Sub-Committee meets regularly to review the latest accounts, funding, and property issues and to update the Board.

Every trustee of The Cellar Trust undertakes to contribute to the assets of the trust in the event that it is wound up during the time he or she is a member or within one year afterwards for the payments of the debts and liabilities of the Trust contracted before the time at which he or she ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustments of the rights of the contributors among themselves, such amount as may be required not exceeding £1.

The Directors have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

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OBJECTIVES AND ACTIVITIES

Strategy and values

A strategic review was carried out for the organisation in 2015 including stakeholder consultation. The following strategy and values have been agreed to align with the charitable objects and articles. This strategy is currently being reviewed by the Board of Trustees and will be updated in 2017.

Vision - Support and empower individuals recovering from mental health problems to live independent and fulfilling lives.

Mission statement - By 2018 we will have earned our reputation as an agile and supportive mental health charity and social enterprise delivering high quality and tailored support to people recovering from mental health problems, enabling hope, growth, opportunity and independence.

Purpose - We exist because mental health problems exist and because they are complex. We all have mental health and our state of health can change at any time. Mental health problems affect everyone in a different way and they can be devastating. Our purpose is to support people when they face these challenges, and to empower them to move forward.

Our values - Our values are not what we deliver but why we do what we do, and how we do it. They are what drives us and what we believe in:

- We value and respect diversity
- We work with hope
- We believe that we can all learn, develop and grow
- We are dedicated and committed
- We are better together

Key themes

1. Enhance our service provision for the people we work with
2. Develop and diversify our provision, and enhance our work through effective partnership working
3. Deliver a range of high quality social enterprise activities that can compete in the market, and maximise income, whilst preserving their core purpose as supportive, learning environments:
4. Enhance the efficiency and operational effectiveness of our organisation and embed a culture of continuous improvement
5. Maintain the financial sustainability of our organisation, to improve stability and enable continued high quality service delivery.

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The aims, objectives and activities of the charity are reviewed annually and assessed. When reviewing these and in planning future activities, the trustees have complied with the duty in section 17 of the Charities Act 2011 to have due respect to public benefit guidance published by the Commission.

In the year 2016-2017, in line with the strategic plan, The Cellar Trust was able to diversify its activity and income meaning that it has been operating in two main areas of service delivery in order to meet its charitable objectives:

Vocational development and recovery - The charity provides education and training activities and support, delivered through one-to-one work, the skill shop training environments and a range of development programmes. The Trust has a partnership with Shipley College which supports pathways into mainstream education through the delivery of accredited and non-accredited courses in the catering, retail and horticulture areas.

Crisis support - The Cellar Trust opened a new service (Haven) in August 2016 which is delivered in partnership with Bradford District Foundation Care Trust (BDCFT) and Bradford Metropolitan Borough Council (BMDC) as an A&E Diversion Service. It provides a safe, calm, non-clinical environment for individuals to receive one to one and group support when in emotional distress. There is a specific focus on Peer Support which means that clients can benefit from being supported by individuals with personal expertise of mental health problems and recovery.

GOVERNANCE AND SENIOR MANAGEMENT

We said farewell due to work commitments to Victoria Hayhurst and thanked her for her contributions to The Cellar Trust. As per planned recruitment, Christian Richmond was appointed. Chris is a qualified paramedic and employee of NHS England. Mick James was also appointed in July 2017. Mick has recently retired from his role as Joint Head of Mental Commissioning for Bradford and Airedale, Wharfedale and Craven Clinical Commissioning Groups, and BMDC. Further targeted recruitment is planned for 2017-2018.

James Nicholson was appointed as Finance Manager in September 2016 following the departure of Linda Brockhill. Linda Haynes was appointed as Head of Client Services (maternity cover) in March 2016.

ACHIEVEMENTS AND PERFORMANCE

The Cellar Trust has had a positive year of growth and development, despite the context of a challenging financial climate. Sustainability continues to be a challenge due to the nature of short-term funding and increased competition, however, as an organisation we continue to focus on innovation, partnership and diversification as a way to further develop our work and enhance the support we can offer to our community.

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- Some of our principal funding sources from Bradford City, District and Airedale, Wharfedale and Craven Clinical Commissioning Groups (CCG's) and Bradford Metropolitan District Council (BMDC) were renewed at the same level as the previous year, (£234,580) despite cut backs in both organisations, and other voluntary organisations receiving significant cuts. Both of these contracts are currently being reviewed alongside other voluntary and community sector contracts. The CCG and BMDC contracts are currently in place until March 2018. This has been a challenging area of service delivery this year due to long term sickness absence, and difficulties with recruiting to short term contracts. These issues are now resolved and the team is back to capacity. The majority of the contractual targets, set by the statutory funders, have however been achieved and in some cases far exceeded.
 - This financial year has seen a major diversification of activity extending our historic focus on Vocational Recovery to include a major new crisis service, which also moves us to 365 day per year delivery. Haven was funded (from July 2016) for two years via the West Yorkshire Vanguard and Bradford District Foundation Care Trust (BDCFT) (£285,000 for the period July 2016 to June 2017). Establishing this service involved the closure of our previous conferencing facilities, and undertaking extensive building work to convert our upstairs space. This has cemented our partnership working with BDCFT and BMDC and is an integrated, and innovative model for delivery which enhances pathways for our clients. It has also enabled us to establish a strong profile in the area of peer support. Haven is now nationally recognised, including by NHS England, for its best practice and is part of Bradford's award winning acute pathway.
 - Our close partnership with BDCFT Employment Service has been further enhanced through a number of joint bids. We were successful in our bid to the European Structural and Investment Fund (ESIF) to be the provider of the STEP into Employment Programme for people with mild to moderate mental health problems and other physical health difficulties. This is a new model for delivery and is a time limited employment focused programme, working in partnership with the Department for Work and Pensions. The service was launched in April 2017 and is an 18 month contract with the potential for a further 18 month extension.
 - The Cellar Trust is now part of the My Wellbeing College Network which is a new model for delivery of IAPT (Increased Access to Psychological Therapies) services in Bradford, led by BDCFT. As one of the Voluntary and Community Sector (VCS) providers, we have been working closely with BDCFT to scope out the new model for delivery. Due to our track record in peer, support, we also now have a number of Peer Support Workers embedded within the My Wellbeing College Assessment Hub.
 - As above peer support is a positive area of growth and development. In addition to our Haven employed workers, we have established a growing weekly support group, and included peer support within our Work Aid (job retention) activity. We have also put two cohorts of clients and volunteers through accredited peer support facilitation training. A number of these people now volunteer within Haven.
 - Building on some of our existing internal training programmes, a member of the team is now a qualified Mental Health First Aid Trainer and has started to pilot this activity as a new income generating arm of the Vocational Service.
- The Cellar Trust has worked hard to improve its profile and reputation locally and nationally which is reflected in increased support and engagement from the local community, increased PR in local, regional and national media, a strong social media presence and enhanced partnership working with local statutory providers and commissioners. The Cellar Trust Chief Executive also represents VCS on a number of key committees, and has most recently established the VCS Mental Wellbeing Provider's Forum, which she now Co-Chairs and is part of the governance structure for health and wellbeing in Bradford.

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- The Retail and Catering Skillshop/social enterprises have worked hard to implement a number of major changes to enhance their income. Our charity shop has had a significant shift in its income which has enabled us to continue to deliver this valuable training environment for our clients. The café had a major rebrand and refurbishment in April 2016 with support from a number of grants, as well as pro bono support from local agencies – also making use of the skills of our Woodwork Skill shop. It has also introduced new product ranges to enhance client skills as well as creating new income streams including jams and Christmas treats. Income generation continues to be a challenge, however, the café has increased its profile and continues to be a positive community hub. It is also a key part of the Haven service model.
- Corporate partnerships have been a key feature of this financial year with support from major local businesses including Marks and Spencer Bradford, Tong Garden centre, Knightsbridge Furniture and twentysix Digital. Their pro bono support, as well as support through work placements, has enabled us to deliver activity which would ordinarily be beyond the reach of a charity of our size.

FUTURE PLANS

- The Cellar Trust role as part of the My Wellbeing College Network will grow significantly over the coming year. The Peer Support team employed by The Cellar, within the Assessment Hub, will be increasing and the team will be engaging with the delivery of one to one and group therapeutic activity. This will also enable us to better utilise our building through delivery during evenings and weekends.
- Planning permission has been secured to build an additional floor onto a wing of the Shipley building. This will create additional one-to-one, and office space. We have now started to fundraise for the build costs.
- Although the current strategic plan runs until 2018, the Board have agreed to review it this year in line with the Bradford and District and Craven Mental Wellbeing Strategy as well as other regional and national strategies for mental health. Consultancy support is being provided via one of our major funders: the Lloyds Foundation, to support this activity as well as a programme of Board development.
- Following the successful pilot of Mental Health First Aid (MHFA) delivery, over the coming year we will continue to grow this activity, linking it to some of our broader employer engagement activity.
- With the introduction of the STEP into Employment Programme, as well as the recruitment of a number of new key vocational staff, the team are in the process of reviewing their processes and outcome measures. This will include aligning how we deliver our employment activity with the Individual Place and Support Model (IPS) and continue to develop our partnership with the BDCFT employment team.
- We will continue to work in close partnership with BDCFT and BMDC continuing to grow and develop our activity linked to Haven. Particular focus will be placed on working to further enhance peer support primary and secondary mental health care.
- We will be reviewing our Skill shop activity to explore how we can create further opportunities for people with mental health problems to engage in therapeutic work, but outside of the vocational pathway.
- With a growing team, a key area of operational development this year will be enhancing our people management processes including continuing to review our policies, further developing our employee wellbeing activity, and implementing a leadership and management development programme for colleagues at different levels.
- We will continue to look at all areas of mental health activity to see where opportunities exist to develop new provision in line with our Mission and Purpose.

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

FINANCIAL REVIEW

Summary

The Statement of Financial Activities shows a surplus for the year of £89,268 after charging depreciation of £30,213 and reserves stand in total at £595,298 at 31st March 2017 which takes the organisation to just above the lower limit of the established policy. This year's surplus includes a £30,002 increase in restricted fund monies which are now available to the Trust for the future provision of our services.

These results have come about as a result of a number of changes in The Cellar Trust, with the organisation being able to diversify and grow its contract income. This has mainly been due to establishing Haven as a new service which has also meant that the organisation has not been wholly reliant on the Vocational contracts for contributions to overhead and management costs.

The Cellar Trust has also closed, or redesigned areas of social enterprise which were operating at a loss, most notably the conferencing facility. In addition, with support from fundraised grants, business models within the café, shop and horticulture facilities have been reviewed. Work has been undertaken in relation to the asset base in order to try and maximise the rental income available to the organisation.

The organisation continues to operate in a challenging financial climate which includes significant cuts to health and social care funding. The short term nature of grant and contract funding continues to pose an amount of uncertainty for all charitable organisations. However, the Board of Trustees are confident that the recent developments, as well as future plans for The Cellar Trust, enable the organisation to best manage these risks. A full strategic review is now underway which will lay out a longer term strategy for the organisation, in line with its Charitable Objects.

Reserves policy

The trustees have established a reserves policy whereby free reserves held by the charity should equate to three to six months of the resources expended. This equates to between £163,806 and £327,612 in general funds. At this level the trustees feel that they would be able to honour their commitments to staff and creditors. At present the free reserves of £170,604 are just above the lower limit of the established policy. However, in the last two years significant steps have been taken by the trustees and management to diversify the income stream, reduce loss making and non core activities, and to increase our fund raising income. The financial performance of the charity will continue to be monitored carefully on a regular basis.

Principal funding sources

The main funding for the year was received from Bradford City, District and Airedale, Wharfedale and Craven Clinical Commissioning Groups and Bradford MDC, and West Yorkshire Vanguard: a total of £458,944.

Going concern

The charity obtained funding from Bradford and Airedale, Wharfedale and Craven CCGs and Bradford MDC until 31st March 2018. Funding from the West Yorkshire Vanguard for the Haven crisis care is obtained until 30th June 2018 and is currently being reviewed by the CCGs with a view to possible extension beyond this period. In addition the Trust has secured significant funding from other Trust and Foundations and continues to obtain lease rental on surplus property. On this basis the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

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 company as at the end of the financial year and of the surplus or deficit of the company for that period.

In preparing those 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
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.


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

SMALL COMPANY RULES

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and was approved by the Board and signed on its behalf.

By order of the board of trustees

D Cockett
Director and Trustee



29 Sept 2017

THE CELLAR TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE CELLAR TRUST

I report on the accounts of the company for the year ended 31 March 2017, which are set out on pages 11 to 24.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's 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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements 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.

This report, including my statement, has been prepared for and only for the charity's trustees as a body. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for my examination work, for this report, or for the statements I have made.

Basis of independent examiner's report

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 you as 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 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.

Armstrong Watson LLP
Third Floor
10 South Parade
Leeds
LS1 5QS



Date: 2 October 2017

THE CELLAR TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017 (Including Income and Expenditure Account)

	NOTE	DESIGNATED FUNDS	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2017	TOTAL FUNDS 2016
			£	£	£	£
INCOMING RESOURCES						
Income and endowments from:						
Donations and legacies	2	-	17,399	-	17,399	13,964
Charitable activities						
Grants, contracts & fees	3	-	460,662	122,862	583,524	353,761
Other trading activities	4	-	91,140	-	91,140	124,469
Investments	5	-	50,982	-	50,982	25,115
Other income		-	1,447	-	1,447	857
Total income		-	621,630	122,862	744,492	518,166
Expenditure on:						
Raising Funds		-	34,065	-	34,065	32,969
Charitable activities	6	-	528,299	92,860	621,159	511,983
Total expenditure		-	562,364	92,860	655,224	544,952
Net (expenditure) for the year and net movement in funds		-	59,266	30,002	89,268	(26,786)
Transfer between funds		430,110	(26,712)	(403,398)	-	-
Total funds brought forward		-	72,885	433,145	506,030	532,816
Total funds carried forward	14	430,110	105,439	59,749	595,298	506,030

There were no recognised gains and losses for 2017 and 2016 other than those included in the income and expenditure account. All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 24 form part of these accounts.


THE CELLAR TRUST

BALANCE SHEET AS AT 31 MARCH 2017

	NOTE	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	10		432,228		430,549
CURRENT ASSETS					
Stock		2,176		1,067	
Debtors and prepayments	11	26,591		23,250	
Cash at bank and in hand		<u>192,451</u>		<u>111,067</u>	
		221,218		135,384	
CREDITORS: amounts falling due within one year					
	12	<u>(58,148)</u>		<u>(59,903)</u>	
NET CURRENT ASSETS			<u>163,070</u>		<u>75,481</u>
NET ASSETS			<u>595,298</u>		<u>506,030</u>
CAPITAL					
Unrestricted funds:					
General	14		105,439		72,885
Designated funds	14		430,110		-
Restricted funds	14		59,749		433,145
			<u>595,298</u>		<u>506,030</u>

The accounts, which have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies, were approved by the board of directors and trustees on July 26th 2017.

D Cockett
Director and Trustee (Chair)

 27 Sept 2017

The notes on pages 14 to 24 form part of these accounts.

Company number: 2304802

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 (Total Funds) £	2016 (Prior year Funds) £
Cash Flows from operating Activities:			
Net cash provided by (used in) operating activities	22	<u>61,944</u>	<u>(13,960)</u>
Cash Flows From investing activities:			
Interest and rents from investments		50,982	25,115
Proceeds from the sale of property, plant and equipment		610	-
Purchase of equipment		<u>(32,152)</u>	<u>(9,026)</u>
Net cash provided by (used in) investing activities		<u>19,440</u>	<u>16,089</u>
Change in cash and cash equivalents in the reporting period		81,384	2,129
Cash and cash equivalents at the beginning of the reporting period		111,067	108,938
Cash and cash equivalents at the end of the reporting period		<u>192,451</u>	<u>111,067</u>

THE CELLAR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements of the charity, have been prepared under the historical cost convention and include the results of the charity's operations which are described in the Directors' and Trustees' Report and all of which are continuing. 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 (FRS102) and the Companies Act 2006.

The Cellar Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The trustees concluded that no restatement is required as any adjustment would be immaterial.

b) Going concern

The trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for at least the next 12 months, and have adequate contingency plans in the event that income streams are reduced. Consequently the accounts have therefore been prepared on the basis that the charity is a going concern.

c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation (in the case of fixed assets transferred from Barnardo's) less depreciation. Depreciation is calculated at the following annual rates which it is estimated will write off the original cost of the assets over their expected effective lives:

Freehold Buildings	-	2% straight line basis
Fixtures, Fittings & Equipment	-	25% straight line basis
Fixtures, Fittings & Equipment – Shop	-	straight line basis life of lease – 2 years
Computer & CCTV Equipment	-	33.3% straight line basis

Fixed assets costing more than £1000 are capitalised.

d) Operating leases

Rentals applicable in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

e) Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

- Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.
- Governance costs, include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (CONTINUED)

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time as set out in Note 6.

f) Unrestricted funds – General

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

g) Unrestricted funds - Designated

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.

i) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value, which is the amount the charity would have been willing to pay for the items on the open market.

j) Debtors

Debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any discounts due.

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity within the 12 months after the balance sheet date.

l) Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfers of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement value after allowing for any discounts which may be due.

m) Pensions

The charity contributes to a defined contributions pension scheme for its employees (note 18).

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Donations and gifts	17,399	-	17,399	13,964
	<u>17,399</u>	<u>-</u>	<u>17,399</u>	<u>13,964</u>

The charity received donations of £17,399 (2016: £13,964), of which nil (2015: nil) were restricted and £17,399 (2016: £13,964) were unrestricted.

3. INCOMING RESOURCES FROM ACTIVITIES TO FURTHER THE CHARITY'S OBJECTS – GRANTS, CONTRACTS AND FEES

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Grants, contracts & fees:				
NHS Bradford District CCGs	162,008	-	162,008	162,008
Bradford MDC	81,400	-	81,400	81,400
Henry Smith Charity	-	44,580	44,580	40,920
Haven	215,536	-	215,536	-
Lord Mayors Appeal Fund	-	-	-	1,500
Trusthouse Charitable Foundation	-	-	-	9,500
Sovereign Healthcare	-	-	-	2,500
D'Oyly Carte Grand	-	-	-	3,700
Albert Hunt Trust	-	-	-	1,000
Liz & Terry Bramall Foundation	-	-	-	2,000
Holbeck Invest Grant	-	3,000	3,000	3,000
Wharfedale Grant	-	-	-	5,000
Asda Grant	-	-	-	300
Aspire	-	-	-	2,495
Lloyd TSB Foundation	-	3,639	3,639	10,916
Big Lottery – Awards For All Charitable Trust	-	-	-	8,690
Barchester's Charitable Foundation	-	-	-	5,000
The Morrison's Foundation	-	-	-	1,232
Leeds BS Charity Foundation	-	5,706	5,706	6,000
George Moore Foundation	-	-	-	1,000
Evan Cornish Foundation	-	-	-	1,000
Ann Rylands Small Grants	-	-	-	4,000
BUPA	-	-	-	600
Sir George Martin	-	11,090	11,090	-
Percy Bilton	-	1,500	1,500	-
Beatrice Laing Trust	-	5,200	5,200	-
Barbara A Shuttleworth	-	2,500	2,500	-
Garfield Weston	-	500	500	-
Discovery Foundation	-	20,000	20,000	-
The Brelms Trust	-	4,147	4,147	-
Newby Trust	-	5,000	5,000	-
Charitable Trust	-	8,000	8,000	-
Charles and Elsie Sykes	-	5,000	5,000	-
Bradford College Placements	48	3,000	3,000	-
Mental Health First Aid Training	1,670	-	1,670	-
Total	<u>460,662</u>	<u>122,862</u>	<u>583,524</u>	<u>353,761</u>

The charity received total grants, contracts and fee income of £583,524 (2016: £353,761), of which £122,862 (2016: £348,761) were restricted and £458,944 (2016: £5,000) were unrestricted.

THE CELLAR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

4. INCOMING RESOURCES FROM ACTIVITIES TO FURTHER THE CHARITY'S OBJECTS

- SALES AND HIRE INCOME

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Woodwork sales	9,744	-	9,744	16,802
Cafe & Catering sales	28,380	-	28,380	26,730
Allotment sales	9	-	9	2,453
Conference suite sales	4,982	-	4,982	31,746
Media & DTP sales	-	-	-	52
Retail sales	48,025	-	48,025	46,686
	<u>91,140</u>	<u>-</u>	<u>91,140</u>	<u>124,469</u>

The charity received total sales and hire income of £91,140(2016: 124,469), of which £nil (2016: £nil) were restricted and £91,140 (2016: £124,469) were unrestricted.

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Rental income	50,918	-	50,918	25,063
Bank interest	64	-	64	52
	<u>50,982</u>	<u>-</u>	<u>50,982</u>	<u>25,115</u>

The charity received total investment income of £50,982 (2016: £25,115), of which £nil (2016: £nil) were restricted and £50,982 (2016: £25,115) were unrestricted.

THE CELLAR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Basis of Allocation	Client Support £	Governance £	2017 Total £	2016 Total £
Costs directly allocated to activities:					
Salary costs (Note 8)	<i>Direct</i>	328,963	-	328,963	233,982
Staff cover costs	<i>Direct</i>	-	-	-	-
Employment Services costs	<i>Direct</i>	-	-	-	2,447
Payroll processing costs	<i>Direct</i>	2,069	-	2,069	1,326
Training	<i>Direct</i>	7,551	-	7,551	2,681
Catering costs	<i>Direct</i>	20,193	-	20,193	22,555
Conferencing costs	<i>Direct</i>	284	-	284	1,588
Media costs	<i>Direct</i>	6,236	-	6,236	1,993
Woodwork costs	<i>Direct</i>	2,226	-	2,226	7,624
Horticulture costs	<i>Direct</i>	22,247	-	22,247	9,024
Retail costs	<i>Direct</i>	18,682	-	18,682	19,215
IT equipment & software	<i>Direct</i>	7,963	-	7,963	5,989
Volunteer expenses	<i>Direct</i>	1,093	-	1,093	565
Office expenses	<i>Direct</i>	6,217	-	6,217	5,458
Miscellaneous	<i>Direct</i>	-	-	-	763
Travel & subsistence	<i>Direct</i>	1,684	-	1,684	1,603
Bank charges	<i>Direct</i>	171	-	171	507
Telephone	<i>Direct</i>	3,337	-	3,337	3,632
'Hub' running expenses	<i>Direct</i>	5,844	-	5,844	8,517
Bradford site	<i>Direct</i>	450	-	450	734
Skipton site	<i>Direct</i>	1,169	-	1,169	4,739
Client Services expenses	<i>Direct</i>	10,599	-	10,599	901
Mental Wealth Awards	<i>Direct</i>	-	-	-	235
Marketing & publicity	<i>Direct</i>	-	-	-	-
Bad debts	<i>Direct</i>	-	-	-	-
Depreciation	<i>Direct</i>	30,213	-	30,213	18,615
Support costs allocated to activities:					
Salary costs (Note 8)	<i>Direct</i>	80,000	13,118	93,118	105,013
Water rates	<i>Usage</i>	6,423	-	6,423	5,916
Heat & light	<i>Usage</i>	11,484	-	11,484	11,014
Insurance	<i>Direct</i>	8,235	-	8,235	5,354
Repairs and maintenance	<i>Usage</i>	13,941	-	13,941	22,117
Audit & accountancy	<i>Direct</i>	-	2,370	2,370	1,924
Trustee expenses	<i>Direct</i>	-	382	382	498
Professional fees	<i>Direct</i>	8,015	-	8,015	5,454
Total		605,289	15,870	621,159	511,983

The charity expended £621,159 (2016: £511,983) on charitable activities, of which £92,860 (2016: £345,287) were restricted and £528,299 (2016: £166,696) were unrestricted.

All expenditure on raising funds is unrestricted (2016: all expenditure was unrestricted).

THE CELLAR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

7. NET (EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2017 £	2016 £
Independent Examiner's remuneration:		
Accountancy fees	-	840
Independent examination fees	1,750	1,080
Conversion to FRS102 SORP	-	180
Depreciation of tangible fixed assets	<u>30,213</u>	<u>18,615</u>

8. EMPLOYEE INFORMATION

The average head count in the year was 26 (2016 – 21).

The average number of employees, calculated on a full-time equivalent (FTE) basis analysed by function was:

	2017 FTE	2016 FTE
Direct charitable work	14.2	10.0
Administration	<u>5.0</u>	<u>5.0</u>
	<u>19.2</u>	<u>15.0</u>

Staff costs during the year were as follows:

	2017 £	2016 £
Wages and salaries	391,686	334,673
Social security costs	25,225	22,250
Pension costs	12,053	12,053
Healthcare costs	<u>670</u>	<u>2,206</u>
	<u>429,634</u>	<u>371,182</u>

No employee earned £60,000 or more during the year (2016 – no employee earned £60,000 or more).

The key management staff of the Cellar Trust are the Chief Executive Officer (CEO), Finance Manager and Head of Client Services. The total employee benefits of the key management staff of the charity were £84,917 (2016: £75,460).

9. TRUSTEES' REMUNERATION AND TRUSTEES' EXPENSES

No remuneration was paid to trustees during the year (2016 – £Nil).

One trustee was reimbursed travelling expenses during the year amounting to £388 (2016 – one trustee was reimbursed travelling expenses of £498).

THE CELLAR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

10. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost or valuation:				
At 1 April 2016:	592,745	43,825	98,617	735,187
Additions	13,874	1,870	16,408	32,152
Disposals	-	-	(3,040)	(3,040)
31 March 2017	<u>606,619</u>	<u>45,695</u>	<u>111,985</u>	<u>764,299</u>
Depreciation:				
At 1 April 2016	172,178	39,493	92,967	304,638
Charge for the year	16,283	5,266	8,664	30,213
Eliminated on disposal	-	-	(2,780)	(2,780)
At 31 March 2017	<u>188,461</u>	<u>44,759</u>	<u>98,851</u>	<u>332,071</u>
Net book value				
At 31 March 2017	<u>418,158</u>	<u>936</u>	<u>13,134</u>	<u>432,228</u>
Net book value				
At 31 March 2016	<u>420,567</u>	<u>4,332</u>	<u>5,650</u>	<u>430,549</u>

The fair value of the property at 13 Scott Street Keighley cannot be measured reliably without undue cost or effort to the charity, therefore it has been accounted for as property within tangible fixed assets and not as an investment property. The net book value of the property at 31 March 2017 is £105,046.

11. DEBTORS

	2017 £	2016 £
Debtors	11,241	10,244
Prepayments and accrued income	15,350	12,009
Taxation	-	997
	<u>26,591</u>	<u>23,250</u>

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Deferred income (Note 13)	6,536	33,689
Taxation and social security	7,585	6,348
Creditors and accruals	44,027	19,866
	<u>58,148</u>	<u>59,903</u>

13. DEFERRED INCOME

	2017 £	2016 £
At 1 April 2016	33,689	11,690
Amount released to incoming resources	(33,689)	(11,690)
Amount deferred in the year	6,536	33,689
At 31 March 2017	<u>6,536</u>	<u>33,689</u>

THE CELLAR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

14. ANALYSIS OF CHARITABLE FUNDS

MOVEMENT IN FUNDS

	Balance 1 April 2016 £	Incoming Resources £	Resources Expended £	Transfers between Funds £	Balance 31 March 2017 £
Unrestricted funds:					
General Funds	72,885	621,630	(562,364)	(26,712)	105,439
Total unrestricted funds	72,885	621,630	(562,364)	(26,712)	105,439
Designated funds:					
Property fund	-	-	-	331,270	331,270
Bradford Council (SSP)	-	-	-	61,136	61,136
Bradford MDC	-	-	-	5,704	5,704
Freehold Property Fund	-	-	-	32,000	32,000
Total designated funds	-	-	-	430,110	430,110
Restricted funds:					
Property fund	338,525	-	(7,255)	(331,270)	-
Bradford Council (SSP)	62,796	-	(1,660)	(61,136)	-
Bradford MDC Adult Mental Health Capital Grant	5,837	-	(133)	(5,704)	-
Sovereign Healthcare	2,500	-	(2,500)	-	-
Henry Smith Charity	-	44,580	(32,083)	-	12,497
Santander Foundation	2,804	-	-	(2,804)	-
Aspire i	516	-	(516)	-	-
Gannett Foundation	2,028	-	(2,028)	-	-
St George Martin	550	-	(250)	-	300
Big Lottery – Awards For All	4,573	-	(4,573)	-	-
D'Oyly Carte Grand	3,700	-	(3,700)	-	-
Holbeck Invest Grant	3,000	-	(3,000)	-	-
Lloyd TSB Foundation	5,816	3,639	(6,965)	(2,490)	-
The Morrison's Foundation	500	-	(506)	6	-
Bupa	-	11,090	(6,815)	-	4,275
Discovery Foundation	-	4,147	(1,037)	-	3,110
Beatrice Laing Trust	-	2,500	(625)	-	1,875
Barbara A Shuttleworth Trust	-	500	(125)	-	375
Percy Bilton Charity	-	5,200	(1,300)	-	3,900
Garfield Weston Foundation	-	20,000	(11,030)	-	8,970
Sir George Martin Trust	-	1,500	(750)	-	750
The Brelms Trust	-	5,000	(2,370)	-	2,630
Charles & Elsie Sykes Trust	-	3,000	(1,623)	-	1,377
Newby Trust	-	8,000	(2,016)	-	5,984
Morrison's Foundation	-	5,706	-	-	5,706
Charitable Trust	-	5,000	-	-	5,000
Holbeck Charitable Trust	-	3,000	-	-	3,000
Total restricted funds	433,145	122,862	(92,860)	(403,398)	59,749
Total funds	506,030	744,492	(655,224)	-	595,298

THE CELLAR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

PURPOSES OF DESIGNATED FUNDS

- The trustees took the decision on 31st March 2017 after discussions with Funders and exploration of historic records and having found no evidence of any covenants nor restrictions on the properties to designate the freehold property which had been previously treated as restricted, those funds being:
 - The Property fund is the cost of the two properties on Farfield Road, Shipley and Scott Street, Keighley owned by the Trust as at 1st April 2004 less depreciation charged at 2% per annum.
 - Bradford Council (SSP) grant was to fund the alteration of the Farfield Road property in the year to 31.3.2006. This fund is being depreciated at 2% per annum.
 - Bradford MDC Adult Mental Health Capital Grants were given for the purpose of refurbishment and fitting out of the former ISIS building to become an employment hub suite.
- The trustees took the decision on 31st March 2017 to provide a designated Freehold Property Fund for the enhancement and improvement of current and future properties to facilitate the provision of support and services in the future.

PURPOSES OF RESTRICTED FUNDS

- Henry Smith Charity granted £90,000 spread over 3 years is for the salary and on-costs of the Horticulture and Woodwork Managers.
- Santander Foundation gave a grant to support Work Aid.
- Aspire i gave a grant towards the purchase of woodwork machinery.
- Sovereign Healthcare gave a grant for website development (2015 for computer hardware and software).
- Gannett Foundation grant was given to support the charity in the selling of their produce.
- S George Martin Trust gave a grant towards cafe uniforms and equipment.
- Big Lottery – Awards For All grant is given for curriculum development.
- D'Oyly Carte Charitable Trust grant was given for the Horticulture skill shop.
- Holbeck Charitable Trust gave a grant towards the Horticulture skill shop.
- Lloyds Bank Foundation gave a grant to support the development of new strategies for income generation in the Retail and Catering skill shops.
- The Morrison's Foundation gave a grant to support the Catering skill shop.
- BUPA gave a grant towards Work Aid.
- Discovery Foundation gave a grant for capital purchases in the Catering skill shop.
- Beatrice Laing Trust gave a grant for capital purchases in the Catering skill shop.
- Barbara A Shuttleworth Trust gave a grant for capital purchases in the Catering skill shop.
- Percy Bilton Charity gave a grant for capital purchases in the Woodwork skill shop.
- Garfield Weston gave a grant for capital purchases for the Haven service.
- Sir George Martin gave a grant for capital purchases for the Haven service.
- The Brelms Trust gave a grant for the provision of Peer Support.
- Charles & Elsie Sykes Trust gave a grant for the provision of a Peer Support service.
- Newby Trust gave a grant for the provision of Peer Support service.
- Morrisons Foundation gave a grant to provide a Side by Side Service.
- Charitable Trust gave a grant for Vocational Support.
- Holbeck Charitable Trust gave a grant for Employability courses.

THE CELLAR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

15. TAXATION

The company is a registered charity and is exempt from income and corporation tax to the extent that income and gains are applicable and applied to charitable purposes only.

16. LIABILITY OF MEMBERS

The company is limited by guarantee and does not have a share capital. Every member of The Cellar Trust undertakes to contribute such sum as may be required (not exceeding one pound) to the assets of The Cellar Trust if it should be wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of The Cellar Trust contracted before he or she ceases to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted funds	18,980	40,769	59,749
Unrestricted funds: General	<u>413,248</u>	<u>122,301</u>	<u>535,549</u>
	<u>432,228</u>	<u>163,070</u>	<u>595,298</u>

18. PENSIONS

The company offers a defined contribution pension scheme with the Pensions Trust for its employees. Contributions of £11,892 were paid on behalf of 22 employees (2016 contributions of £12,053 were paid on behalf of 11 employees) and these costs are charged to the Statement of Financial Activities. At 31 March 2017 there was £2,044 outstanding (2016: £991).

19. COMMITMENTS

At 31 March 2017 the charity had annual commitments under non-cancellable operating leases on photocopiers and leasehold property as follows:

	2017 £	2016 £
Under 1 year	-	255
Between one and five years	<u>51,090</u>	<u>5,599</u>

THE CELLAR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

20. CAPITAL COMMITMENTS

At 31 March 2017 the charity had the following commitments:

	2017	2016
	£	£
Authorised and Committed	<u>Nil</u>	<u>Nil</u>

21. RELATED PARTY TRANSACTIONS

There were no Related Party transactions in the year.

22. RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net movement in funds	89,268	(26,786)
Adjustments for:		
Depreciation charges	30,213	18,615
Profit on disposal of assets	(350)	-
Deduct investment income	(50,982)	(25,115)
(Increase)/decrease in stocks	(1,109)	440
(Increase)/ decrease in debtors	(3,341)	(285)
Increase/(decrease) in creditors	(1,755)	19,171
Net cash surplus on operating activities (2016 deficit)	<u>61,944</u>	<u>(13,960)</u>