
ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

ELLINGHAM EMPLOYMENT SERVICES
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 MARCH 2021**

Trustees	C Bailey, Chair P J Le Rasle B Streader M.B.E. S Hussain (resigned 15 September 2020) F Vawda L Kowalczyk
Company registered number	01984355
Charity registered number	1010796
Registered office	5 -11 Ellingham Road Leytonstone London E15 2AU

ELLINGHAM EMPLOYMENT SERVICES
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021

This is the first report together with the audited financial statements presented by the Trustees since the alteration of the accounting period undertaken in January 2020. Historically, at a time when it received significant ESF funding, Ellingham's financial year mirrored the European financial year. However, since that is no longer applicable, Trustees unanimously agreed to revert to the UK financial period of April to March. This report therefore covers the period 1 January 2020 to 31 March 2021.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

We must report the resignation of Mrs. Saira Hussein from the Board of Trustees in September 2020. As the parent of an Ellingham client, Saira provided a valuable long-standing liaison role between parents and the Board. She leaves with the Board's grateful thanks for her long years of service. Also, at the AGM in 2020, Mrs. Fatima Vawda stood down from the role of Hon. Secretary, and the Board are extremely grateful that she will remain on the Board. Mr. Lucas Kowalczyk was elected to the position of Hon Secretary.

The Board are also pleased that they were able to appoint Mrs. Helen Gore as Chief Operating Officer in May 2020.

Several major changes impacted on Ellingham's work during 2020, with the unanimous decision by Trustees at the end of 2019 to come to a mutually agreed termination of DWP Work & Health Programme contract with Maximus People Services on top of which staff & clients had to deal with the impact of the Covid-19 pandemic (further details below). Trustees are extremely saddened at the loss of the dedicated team of Employment staff who had run the DWP work preparation courses for many years, but wish them well in their futures. The whole Board of Trustees must extend its overwhelming gratitude to all its staff team for the handling of these events, during which they all showed their commitment to the well-being & protection of Ellingham's clients, and their flexible approach to finding ways to support clients, and each other, during this extremely difficult time and to their hard work to ensure a safe, prompt return to services in line with government instructions. The Board would like to thank London Borough of Waltham Forest for its accelerated programme of staff vaccinations which saw the entire Ellingham team to be among the first front line care support staff to receive their inoculations. Staff continue to undertake LCF & PCR tests weekly and follow social distancing and safety & hygiene guidelines with clients to safeguard everyone, with a weekly deep clean of premises to maintain health of all. Trustees would also like to thank the Finance & Development team for the strict financial controls and successful external funding applications received that enabled Ellingham to sustain its financial viability during this year. Trustees continue to be extremely impressed with the prompt reactive responsiveness its dedicated staff team makes when needed for the benefit of our clients.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

Objectives and activities

a. Policies and objectives

The main objectives and activities for the year had been to focus upon the excellent work carried on from previous successful years, but these had to be extensively modified due to Covid-19 restrictions:

- developing a wide range of day opportunities within the vocational, well being & independence fields for clients with the most complex barriers to employment
- for these clients, creating supported social enterprises, run on a cooperative type basis where clients have elected to share all sales profits equally amongst all who participated within the activities.
- providing training (accredited & non accredited) to clients with learning disabilities,
- providing work experience commensurate to the abilities of the clients and the programme they are on, and finding and maintaining supported employment placements in the Greater London area for those clients referred on job outcome related programmes
- Exploring and developing new avenues of service for young people with learning disabilities
- Working with other professionals in the field to assist in a more robust and consolidated services
- Working in Partnerships with other Agencies to secure the widest range of services available that best matches the need of Ellingham's client base
- Implementation of employers on issues of Disability Awareness
- Ensuring comprehensive internal policies

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

b. Strategies for achieving objectives

Partnership Working

The Trustees are proud of the current work that is being undertaken in the field of working partnerships. The Board also recognise that this strategy is key to its future development and in particular essential to long term funding as the major Funders are now requiring a partnership procedure to ensure successful bids for finance and grants. These working partnerships continued electronically during the Covid-19 closure period.

New for 2020 was the creation of a CIC partnership with SEND Coffee, an initiative developed through the Supported Intern programme, whereby Ellingham is the benefitting charity of all profits generated by the CIC. Unfortunately, due to trading restrictions during Covid-19 this is likely to be delayed.

Representatives from Ellingham continue to be members of the following groups, although meetings held electronically:

Member of Work Redbridge, a partnership led by Redbridge Regeneration team, which has developed a Strategy and an Action Plan which aims to address unemployment and low skill levels, to support business growth, and to help businesses recruit people with the right skills to meet their needs;

Member of Redbridge & Waltham Forest Learning Disability Partnership Day Opportunities Forum;

It is with great pleasure to report that Rosemary Clark, Manager of I Can Ventures, continued in the role as Chair of the Newham Learning Disability and Autism Provider Forum.

Close working with Hackney Learning Trust and 6th form Colleges in the delivery of Ellingham's Supported Internship-style programme.

Such partnerships enrich the work of the Organisation and open potential opportunities for broadening its scope for development, as well as establishing closer working and meaningful links within the Community.

It is a strategic part of the Ellingham infrastructure that Partnerships will continue.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Ellingham's unique selling point is that we recognise that there is no single route to assisting people with learning disabilities and/or associated physical and/or sensory disabilities attain & maintain their potential goals. Therefore, Ellingham has developed a range of activities according to client's requirements and needs:

- I Can Ventures (ICV) – services for people with more complex barriers and higher support needs. Activities include a full range of day opportunities, accredited and non accredited training activities, advocacy and peer support services. All activities have a meaningful purpose as a way of maintaining skills learned and developing new ones.
- Supported Internships (Forward Work Directions - FWD) – based on our experience of working with several local colleges in recent years, Ellingham developed its own in-house programme. Whilst the mainstream Supported Internship programme is one type of study programme specifically aimed at young people aged 16 to 24 who have a statement of special educational needs, a Learning Difficulty Assessment, or an EHC plan, who want to move into employment and need extra support to do so, Ellingham staff have created a tailored programme for those clients who required additional support to those who can access the mainstream programme, thereby filling a gap in client need.
- DWP Access to Work – is a tailored practical support programme to people who have a disability, health or mental health condition to enable them to start work, stay in work or to move in self employment.

d. Main activities undertaken to further the Company's purposes for the public benefit

The main areas of Charitable activities are the provision of vocational training (accredited & non accredited), vocational guidance and supported employment to people who have learning disabilities and/or associated physical, sensory and mental health needs. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future projects. Our main activities, who we try to help, and who used and benefited from our services are described below.

Ellingham has made significant developments in its in house training strategies, which is assisting many people with severe disabilities to understand the complexities of the world of work, prior to placing them into valued and meaningful work experience. These programmes have been designed by the specialist staff teams to enhance their skills, provide confidence and equip the clients with a positive outlook and motivation, which will enable them to compete in an ever demanding and sometimes hostile world of work.

Previous comments have been made in this report on the growing development of Partnerships with other Agencies and Funding Bodies, and this scenario is one that the Board are keen to expand.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance

a. Key performance indicators

- Lockdown due to Covid-19 pandemic had a major impact on Ellingham's finances. With the closure of all face to face services due to Covid-19 pandemic, local authorities dealt with service payments differently. Whilst Newham & Redbridge continued funding, LBWF insisted that Ellingham produce monthly claims to evidence shortfall of income & so to make a claim for financial sustainability. This frequently led to delays in payment which affected cashflow. The majority of staff were put on furlough, including Access to Work Support Workers, with monthly claims from government's Job Retention Scheme. Senior & key staff members implemented home working. Some staff contracts were not renewed, staff were TUPE-ed due to the transfer of the Work & Health Programme contract and with reduced numbers of clients being able to attend Ellingham's services, staff redundancies from the I Can Ventures staff team were made, meaning that over the period Ellingham's staff team reduced by 25.
- Extraordinary financial income during Covid-19 shutdown included JRS claims totalling £206,149 and grants from London Community Response Fund & GLA of £112,461. This together with the strict financial controls operated by Senior Manager (Finance) including negotiation of payments by instalments to ease cashflow ensured that cash reserve levels at the end of the accounting period were maintained.
- Despite Waltham Forest clients paying for services from their personal budgets to attend I Can Ventures, as they are able to use personal choice to select the services and activities they wish to undertake, 2020 saw the Local Authority negotiate a return to a contracted Commissioned Service. The intention had been that as personal budgets came up for review, they would revert to Commissioned Services under the contractual control of LBWF. Unfortunately, Covid-19 cause a pause in the process, due to restart in 2021.
- The loss of income from DWP Work & Health Programme was counter-balanced by savings on costs of salaries and running costs and it is anticipated will not have a long-term impact on financial levels. Alternative programmes are being sought.
- Due to the success of the Supported Internship programmes, we were able to deliver tailored programmes entering into 2 contracts with Hackney Learning Trust, for 2020/21. The new initiative working with a Jewish Orthodox school & a local employer, saw all 3 clients being offered paid employment. The Covid-19 lockdown saw a limit on the activities able to be undertaken with those clients on the Supported Intern programme, although through negotiations about extending the length of programme, the contract continued as anticipated. As detailed below, a new 2-year contract with Ellingham as sole provider has been entered into with Hackney, with an anticipated doubling of client numbers & therefore income from 2021/22. Also due to the success of a pilot project in a specialist 6th form College in 2020/21, negotiations are underway to develop a similar project for 2021/22.
- Despite all the continuous efforts of the Access to Work Coordinator to ensure full payments of claims from DWP, there remain on-going shortfalls in payments during 2020/21, together with the dramatic fall in income in this area due to Support Workers & their customers being placed on furlough. It is anticipated that once lockdown is lifted a return to previous levels will occur as this is an area of fluctuating income.
- As reported in 2018, Working Links, the Prime Contractor for Work Choice went into Administration in February 2019 with debts of £29,782 owing to Ellingham. Despite on-going representations to the Administrators to date there is still no resolution to this situation.

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Achievements and performance (continued)

b. Review of activities

FINDINGS ON THE IMPACT OF COVID-19

Trustees were already aware that 2020 might be a difficult financial year with the loss of the Work & Health Programme, but financial predictions showed that the financial savings outweighed the predicted loss. They were also confident as Reserves levels were beginning to improve once all the new building work had been completed and with the increased income to I Can Ventures and the expansion of services with the Forward Work Directions department with increased contracts for supported internship programmes. Access to Work was predicted to remain steady.

Ellingham is in the fortunate position in that despite being a charity it does not rely on fundraising for income, instead it is funded through contracts.

The Board acted very swiftly in March 2020 following Government guidelines regarding shutdown of all non-essential services. With the Senior Management Team, plans were put in place to ensure that all clients & staff remained well and safe. Resolutions were passed by the Board to enable media meetings to take place instead of face to face ones, and that, if necessary, the restricted reserves could be used to assist cashflow, on the understanding that those levels of finance were to be replaced as soon as possible and the restrictions put back in place.

As a result:

- Work & Health Programme – staff were TUPE-d as from 9th April 2020, but home worked for Ellingham to close the programme from 20th March until then.
- Senior Management Team continue to work as normal from home supervising their departments/ensuring well-being of clients & staff team members.
- Closure of I Can Ventures to all clients. All staff, other than 3 seniors, were put on furlough. The 3 working staff continued to deliver an outreach service to all clients, by telephone calls to ensure well-being of clients & their families, and the delivery of fortnightly newsletters & worksheets. Through this contact staff were able to signpost additional support from additional agencies. As a result, funding continuing from Newham & Redbridge. Full funding was received for March from Waltham Forest but then had to provide monthly evidence of loss of income to receive financial sustainability payments.
- Forward Work Directions – 3 of the team furloughed. Online support, training & communication for all learners by the 2 seniors, ensuring full funding continued.
- Access to Work – Coordinator home working, liaising and coordinating with customers regarding working status and furloughing support workers as required. Funding continued to cover costs of working customers.

In preparation for re-opening, Ellingham staff again overwhelmed Board expectations in their urgent need to make the facilities as safe as possible for clients and staff in line with government guidelines at all time.

As a small gesture to show their appreciation of Ellingham's greatest asset – its staff – Trustees continued to focus on ensuring that staff (particularly those isolating through furlough) were fully supported, not only by management & team members but by ensuring they were aware of Ellingham's Employee Assistance Programme, a 24-hour freephone service through Health Assured confidential life management and personal support service available to all staff. Through the phased return to work, the introduction of flexible/hybrid working is being considered across all departments as appropriate.

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Achievements and performance (continued)

I Can Ventures - 2019 saw the start of development and expansion of in-house & community-based services for a greater number of clients with learning disabilities, enabling staff to work with clients with more complex needs. Plans for further development in 2020 were put on hold March 2020 with the total closure of in-house services due to Covid-19 pandemic. However thanks to the flexible & innovative approach staff had to ensuring the well-being of all clients during this difficult time, successful approaches were made to London Community Response Fund to enable a new outreach service to be established whereby weekly contact was made by phone or Zoom with all clients and the families, and monthly work-packs & competitions were created & posted to all. By remaining in close contact, staff were able to offer support and in some cases signpost families for additional support as required, whilst maintaining strict hygiene observances. As lockdown was lifted, "doorstep" visits were undertaken by staff to be with clients in person, again observing strict social distancing.

To ensure social distancing, client numbers for attendance has had to be reduced, which will possibly have an impact on potential income for 2021/22, depending on government guidelines. However, staff have tirelessly negotiated alternative day placements/support for those clients unable to yet return to Ellingham's services. Activities for returning clients have been modified to following guidelines of social distancing. Staff are also noticing an increase in anxiety and mental health issues amongst clients and families, which too is leading to a change in approach to Ellingham's services with signposting to additional support services as required.

To publicise all the new activities within I Can Ventures, and to promote all the other services we offer, Ellingham is making full use of the revamped website & social media platforms created through the work undertaken with Raising IT.

In addition, Ellingham's programmes during 2020 also included:

DWP Work & Health Programme – At the end of 2019, Trustees made the unanimous decision with Senior staff to negotiate a mutual termination of this contract with Maximus People Services. This was an extremely hard decision to make as it would mean the loss of 20+ years of service delivery of DWP work preparation programmes and the loss of a dedicated team of loyal staff. The contract was finally concluded end-March 2020, coinciding with Covid-19 lockdown, with the team being TUPE-ed to the new contractor.

Supported Internships – As a result of the previous successes, under contract to Hackney Learning Trust, Ellingham is running an in-house "supported internship"-style programme, but aimed at clients with higher support needs, who would not be eligible for the statutory programme. Due to Covid shutdown, staff remained in contact with learners electronically undertaking some distance learning. Unfortunately, learners were unable to undertake any work experience placements, a key part of the programme, so have been granted a 6-month extension to their course.

Whilst FWD have been delivering this programme through a small contract with Hackney Learning Trust for the past 3 years, during lockdown the contract was put out to open tender. We are extremely pleased to say that Ellingham has been awarded as sole external contractor for the 2-year contract (with a rolling 2-year extension) for up to double the number of learners. Contract is to start September 2021.

In addition to the tailored programme, the new initiative working with a Jewish Orthodox school & a local employer, which saw the development of a specific supported employment/internship programme to benefit the clients and the employer, saw all learners offered paid employment September 2020.

New for 2020/21 academic year was a pre-internship programme aimed at those learners in their final year of specialist college. Due to social distancing, this started in the college, but as lockdown measures lifted, so the learners were able to undertake their learning at Ellingham's premises. Due to the success of this initial programme, negotiations are underway to explore developments for academic year 2021/22.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

c. Factors relevant to achieve objectives

With the ever growing concerns from the Board regarding long term financial security, an issue regularly reported in the Trustees annual reports, Ellingham has continued to be an effective service deliverer in the supported employment and vocational training field. The difficulty of this insecurity has meant planning and development of the Organisation has been down to minimal longevity to programmes and staff remaining on annual contracts, this is despite the Organisation having a wide range of contracts with a diverse group of Statutory funding bodies.

The Finance and Development section work tirelessly to ensure that funding appropriate to the organisation's principles is explored, and partnership working is proving successful in this area, although major funding streams, especially from DWP are no longer available as a direct finance source for an organisation as Ellingham, as the Department seeks to offer contracts solely through major Prime Contractors.

The lack of longer term funding and financial resources has always been a particular weakness in the Trustees view of strategic planning and development of its services, its nature of being one of the more respected and experienced employment services in the Greater London region has encouraged funders to invest in its work, however, such conditions will need to be marketed in a totally different way if this level of funding is to be sustained.

d. Investment policy and performance

The Board continue to strongly refuse any sums for deposit that have risk potential, as in stocks and shares and other volatile/risk-based funds and will continue to desist from speculating in such practices.

2018 saw a major impact on Ellingham's reserves due to the shortfall in funding from BIG Lottery for the new building and as a result Ellingham's reserve levels have dipped to below the levels as set by the Reserves Policy. However, the contingencies made by Trustees to prudent longer-term financial planning (i.e. reduction in use of rental properties, smaller staff teams, budgetary controls, minimising bad debt through non payment of invoices) and proved successful in that despite the financial difficulties during 2020/21 due to Covid-10 restrictions, the period ended with higher reserves than at the start. However, Ellingham still awaits information regarding the debt from Working Links' Administrators.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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b. Reserves policy

It is agreed that Ellingham Employment Services will ring fence and hold reserves that will enable more accurate and prudent control of its resources. These reserves will be to cover the contingencies of:

- Safeguarding against anticipated and unanticipated fluctuations in income and expenditure
- Redundancy payments to staff
- Long term sick cover for staff
- Maternity payments and cover for staff
- Contingency account for unclaimed invoices from suppliers.

In addition, the Directors may decide from time to time to divert reserves to cover capital expenditure to facilitate the start of a new project, or to build up additional funds to cover a long term capital project, such as refurbishment of buildings, such levels to be decided by the Board of Directors under the guidance of the Treasurer.

The Board will reserve amounts as it sees necessary in line with the Charity Commission's recommendations of 3 months to 2 years operating costs as good financial practice. The amounts will vary, as dictated by external influences that decide the levels of income through funders and grant making authorities which are outside the control of the Board of Directors, although every effort must be made to ensure that levels do not fall below 3 months operating costs at any time. For the year 2021/22, it is anticipated that this sum will be in the region of £270,000. Based on the annual audited accounts to March 2021, the Reserves held were below the level set down in this Policy, although actual cash in the bank was higher than the previous year. The level of trade debtors had increased from the previous year, despite best efforts to attain timely payment.

Reserves will be invested to earn the best interest, yet with reasonable access to funds, the interest being added to increase the capital thereby adding to reserves. Levels of reserves will be reported to the Board of Directors quarterly as part of the financial report.

These actions will empower the Board of Directors to exercise its authority to ensure the continuation of the financial security of the organisation, through its Instruments of the Memorandum and Articles of Association.

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c. Principal funding

Due to the extensive range of services that Ellingham offers to enhance the skills of the clients it serves, we therefore have a wide range of funding streams to finance these services.

- Individual budgets
- Contracts with local authorities / housing associations
- DWP (Access to Work)
- Local authority education departments
- During 2020/21 we were extremely pleased to be awarded major grants from National Lottery Community Fund and GLA.

For financial prudence, all areas are self financing, with management costs proportioned to each department to finance such areas.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company is constituted under a Trust deed and is a registered charity number 1010796.

The principal object of the charitable company is to relieve the need of people with learning and/or physical disabilities, in particular, but not exclusively by the provision of accredited and/or vocational training, sheltered and supported work placements in the Greater London area.

In the event of the Company being wound up Members are required to contribute an amount not exceeding £1.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Under the terms of the Memorandum and Articles of Association the Trustees are elected to serve on an annual basis after which they must be re-elected at the next Annual General Meeting.

Due to the work undertaken at Ellingham, its function is to support people who have a range of learning and associated physical and sensory disabilities into employment. The Trustees are recruited on their empathy and direct understanding of people with learning disabilities, and on the Board, are representatives from parents/carers to fulfil this role, in addition to those with professional experience in this field.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

c. Organisational structure and decision-making policies

All Trustees carried out their duties well, undertaking the restructuring of I Can Ventures department to meet the changing needs of the clients. The Trustees (& SMT) also undertook a self-assessment to measure its governance and leadership skills. Based on the NCVO tool, an Action Plan for development was put in place for 2020 but was interrupted due to Covid-19 shutdown.

The structure of the day to day responsibility for the provision of the charity's services resting with all members of the Senior Management Team, who also have responsibility for ensuring the respective areas of its sections operate in accordance with Team goals/targets is working exceeding well. This, together with individual supervision and annual staff appraisal of the staff team and also ensuring that the team continue to develop their skills and working practices in line with up to date training and knowledge, whilst working jointly and collaboratively on common issues and developments

Whilst the entire SMT team works extremely well undertaking all areas that Trustees expect, one aspect of the impact of the Covid-19 shutdown was the realisation by the (part-time) Executive Director that the direct management from a distance for day to day issues was not the most effective way forward for the organisation. Trustees therefore agreed to the creation of the post of Chief Operating Officer to head up the SMT, taking over responsibility for day to day management of the organisation. It is with great pleasure that Trustees appointed Helen Gore to this role with effect from May 2020.

The Executive Director, remains an intermediary between the Trustees and the Senior staff in the organisation, continues to combine regular direct communication with Chief Operating Officer as well as with individual Senior Managers. Members of the Senior teams attend Trustees' meetings submitting written reports to discuss specific aspects of work or projects where Trustees may need further information.

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Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

Most, if not all, of the Trustees are already familiar with the practical aspects of the working structures employed at Ellingham, either from their experiences within their own profession, or experience/expertise with other groups. However, Trustees are offered training as and when specific courses are identified by the Executive Directors. Some of these courses have been taken up during the year.

All new recruits to the Board attend a day long induction to the Organisation which covers;

- The obligations of the Board of Trustees;
- The main documents that govern the Organisation and its operational framework for the charity including a copy of the Memorandum and Articles;
- Meeting the various teams, Senior, Middle Management and field/admin teams;
- Resourcing and the current financial position as set out in the latest published accounts;
- Future plans and objectives.

As part of the Induction package the new recruit will also be given the latest edition of Ellingham's Code Of Practice Of Trusteeship, which identifies Trustees' roles and responsibilities in running a charitable company. They are also provided, within this pack, with the latest documents from the Charity Commission in the appropriate areas of trusteeship. This Code is revised to reflect changes in governance when indicated from central government or the Charity Commission.

Trustees are encouraged, where practicable to attend seminars organised by the Charity Commission et al. to keep abreast of the latest changes in Government legislation. All Trustees are enrolled onto NVCO Trustee Training Programmes to assist with their professional development in their roles.

e. Pay policy for senior staff

Currently Ellingham's Board of Trustees have responsibility of ratifying all salary increases across the whole organisation, ensuring that Ellingham continues to be a Living Wage organisation. Unfortunately, due to financial constraints, it was not possible to award staff an increase in 2020/21.

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Structure, governance and management (continued)

f. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

A risk assessment register for all Trustees and Senior Staff has been created and is updated at least annually and processes are being reviewed by COO & SMT in the light of the Covid-19 shutdown & its implications.

Where appropriate, systems or procedures have been identified to mitigate the risks the charity faces. Funding being the most adherent risk to the Organisation has meant that a broader diversification of funding providers and matrixes allow for this risk to be minimised to an extent. As the organisation works with vulnerable people, all staff & Trustees undergo regular enhanced DBS checks.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

Procedures are in place to ensure compliance with Health and Safety of the charity's staff, clients and visitors to the charity's facilities.

Staff are updated with risk assessment awareness through regular training sessions either in house or externally run courses with external consultants.

Since 2007, Ellingham became a member of Peninsula Business Services to assist with Personnel, employment Law and Health and Safety Issues, by providing a 24-hour advice line in addition to providing training and sending regular updates and newsletters. All staffing issues are administered in consultation with Peninsula. This service was extended in 2014 to include the services of Peninsula in reviewing all HR policies and procedures of the organisation, and in 2015 to a confidential Employee Assistance Programme to all staff, offering confidential life management and personal support services to all employees and their families, thereby increasing the well being aspect of staff. All Ellingham's premises also undergo annual external Health & Safety checks, fire/intruder alarm checks, Legionella check and electrical PAC testing to ensure the safety of clients and staff. These are all currently under review to ensure best competitive support to Ellingham's needs.

Plans for future periods

- Expand day opportunities services for clients with more complex needs to enhance their choices
- Develop range of accredited training programmes on offer to clients
- Develop range of supported internship programmes
- Continue to work in partnership to develop programmes for clients in particular need
- Seek replacement funding to re-establish Ellingham's expertise in work preparation programmes
- Ensure appropriate levels of suitably qualified & dedicated staff to be able to deliver all programmes
- Continue to offer all staff of Ellingham Employment Services appropriate support and well being, so they can continue to provide the quality service to our clients.
- Ensure prudent financial management controls to in 2021/22 to increase reserve levels
- Restart the Governance Code Action Plan to improve leadership and governance skills amongst the Trustees & SMT.
- The need for "back-office" procedures & processes to be more efficient and cost-effective.

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TRUSTEES' REPORT (CONTINUED)
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Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company 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 . 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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 company's auditors are unaware, and
- that 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 company's auditors are aware of that information.

Auditors

The auditors, Haslers, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 7 September 2021 and signed on their behalf by:



C Bailey
(Chair of Trustees)

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELLINGHAM EMPLOYMENT SERVICES

Opinion

We have audited the financial statements of Ellingham Employment Services (the 'charitable company') for the period ended 31 March 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the period 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 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 charitable company 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELLINGHAM EMPLOYMENT SERVICES
(CONTINUED)

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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELLINGHAM EMPLOYMENT SERVICES
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries
- Carrying out substantive testing to cover authorisation of expenditure in line with the financial processes.
- Carrying out walkthrough testing to ensure internal controls are in place to prevent errors and fraud.
- Assessment of appropriateness of accounting estimates.
- Review of large and unusual bank transactions

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. This description forms part of our auditors' report.

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELLINGHAM EMPLOYMENT SERVICES
(CONTINUED)

Use of our report

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

Haslers

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road

Loughton

Essex

IG10 4PL

7 September 2021

Haslers are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 MARCH 2021**

	Note	Unrestricted funds 15 Months Ended 31 March 2021 £	Restricted funds 15 Months Ended 31 March 2021 £	Total funds 15 Months Ended 31 March 2021 £	<i>Total funds 12 Months Ended 31 December 2019 £</i>
Income from:					
Donations and legacies	2	207,640	-	207,640	5,151
Charitable activities	3	1,019,901	-	1,019,901	1,165,356
Other trading activities		11,587	112,461	124,048	40,469
Total income		<u>1,239,128</u>	<u>112,461</u>	<u>1,351,589</u>	<u>1,210,976</u>
Expenditure on:					
Raising funds		3,377	-	3,377	10,438
Charitable activities		1,220,004	108,726	1,328,729	1,320,202
Total expenditure		<u>1,223,381</u>	<u>108,726</u>	<u>1,332,107</u>	<u>1,330,640</u>
Net movement in funds		<u>15,747</u>	<u>3,735</u>	<u>19,482</u>	<u>(119,664)</u>
Reconciliation of funds:					
Total funds brought forward		245,081	347	245,428	365,092
Net movement in funds		15,747	3,735	19,482	(119,664)
Total funds carried forward		<u><u>260,828</u></u>	<u><u>4,082</u></u>	<u><u>264,910</u></u>	<u><u>245,428</u></u>

The Statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 24 to 40 form part of these financial statements.

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)
REGISTERED NUMBER: 01984355

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	31 March 2021 £	31 December 2019 £
Fixed assets			
Tangible assets	8	6,104	20,287
		<u>6,104</u>	<u>20,287</u>
Current assets			
Debtors	9	171,398	194,889
Cash at bank and in hand		237,303	195,432
		<u>408,701</u>	<u>390,321</u>
Creditors: amounts falling due within one year	10	(149,895)	(165,180)
Net current assets		258,806	225,141
Total net assets		264,910	245,428
Charity funds			
Restricted funds	11	4,082	347
Unrestricted funds	11	260,828	245,081
Total funds		264,910	245,428

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)
REGISTERED NUMBER: 01984355

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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



C Bailey
(Chair of Trustees)
Date: 7 September 2021

The notes on pages 24 to 40 form part of these financial statements.

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

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

Ellingham Employment Services 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.

1.2 Income

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.3 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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

1.4 Government grants

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Short-term leasehold property	-	fully depreciated
Motor vehicles	-	25%
Fixtures and fittings	-	20%

1.7 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.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.10 Financial instruments

The Company 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.

1.11 Pensions

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

1.12 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 Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company 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.

2. Income from donations and legacies

	Unrestricted funds 15 Months Ended 31 March 2021 £	Total funds 15 Months Ended 31 March 2021 £
Donations	1,491	1,491
Government Grant Receivable	206,149	206,149
	207,640	207,640
	207,640	207,640
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	5,151	5,151
	5,151	5,151
	5,151	5,151

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

3. Income from charitable activities

	Unrestricted funds 15 Months Ended 31 March 2021 £	Total funds 15 Months Ended 31 March 2021 £
Personalised Budget Client	539,389	539,389
London Borough of Newham	53,961	53,961
Work and Health Programme	27,173	27,173
Support Work	281,994	281,994
Workchoice	-	-
Supported Internships	118,422	118,422
Outreach East	(1,038)	(1,038)
Total 2021	<u>1,019,901</u>	<u>1,019,901</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Personalised Budget Client	605,143	605,143
London Borough of Newham	58,131	58,131
Work and Health Programme	131,839	131,839
Support Work	229,495	229,495
Workchoice	14,328	14,328
Supported Internships	119,846	119,846
Outreach East	6,574	6,574
<i>Total 2019</i>	<u>1,165,356</u>	<u>1,165,356</u>

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

4. Analysis of expenditure by activities

	Activities undertaken directly 15 Months Ended 31 March 2021 £	Support costs 15 Months Ended 31 March 2021 £	Total funds 15 Months Ended 31 March 2021 £
Direct costs	1,047,084	281,645	1,328,729

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs	<u>1,083,718</u>	<u>236,483</u>	<u>1,320,201</u>

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

4. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 15 Months Ended 31 March 2021 £	Total funds 15 Months Ended 31 March 2021 £
Staff costs	934,877	934,877
Motor expenses	370	370
Travel and subsistence	2,678	2,678
Recruitment	784	784
Qualification costs	385	385
Staff Training	75	75
Rent	64,793	64,793
Rates	2,419	2,419
Light and heat	3,250	3,250
Cleaning	455	455
Repairs and maintenance	5,600	5,600
Printing, postage and stationery	3,645	3,645
Entertainment	164	164
Telephone and internet	4,776	4,776
Sundry expenses	1,368	1,368
Equipment and materials	21,343	21,343
Client allowance	102	102
	<hr/> 1,047,084 <hr/>	<hr/> 1,047,084 <hr/>

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

4. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Activities</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Staff costs	983,691	983,691
Motor expenses	1,298	1,298
Travel and subsistence	9,995	9,995
Recruitment	3,057	3,057
Qualification costs	896	896
Rent	56,750	56,750
Rates	3,466	3,466
Light and heat	6,762	6,762
Cleaning	1,749	1,749
Repairs and maintenance	3,594	3,594
Printing, postage and stationery	1,440	1,440
Entertainment	527	527
Telephone and internet	3,273	3,273
Advertising	1,603	1,603
Sundry expenses	770	770
Equipment and materials	4,350	4,350
Client allowance	498	498
	<u>1,083,719</u>	<u>1,083,719</u>

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

4. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 15 Months Ended 31 March 2021 £	Total funds 15 Months Ended 31 March 2021 £
Staff costs	155,167	155,167
Depreciation	5,074	5,074
Travel and subsistence	133	133
Training	15,668	15,668
Light and heat	2,880	2,880
Cleaning	1,524	1,524
Repairs and maintenance	3,173	3,173
Insurance	16,426	16,426
Printing, posting and stationery	4,712	4,712
Telephone and internet	20,132	20,132
Equipment and materials	1,483	1,483
Auditors' remuneration	8,000	8,000
Legal and professional	15,437	15,437
Bank charges	67	67
Hospitality	446	446
Subscriptions	5,465	5,465
Profit and loss on disposal	9,109	9,109
Storage costs	1,093	1,093
Bad debts	(5,588)	(5,588)
Irrecoverable VAT	21,244	21,244
	<hr/> 281,645 <hr/>	<hr/> 281,645 <hr/>

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

4. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Staff costs	109,127	109,127
Depreciation	4,907	4,907
Motor expenses	298	298
Travel and subsistence	1,455	1,455
Training	473	473
Repairs and maintenance	5,590	5,590
Insurance	13,853	13,853
Printing, posting, stationery	3,679	3,679
Telephone and internet	22,511	22,511
Sundry expenses	805	805
Equipment and Materials	543	543
Property refurbishments	21,469	21,469
Auditors' remuneration	7,875	7,875
Legal and professional	11,909	11,909
Bank charges	(46)	(46)
Hospitality	797	797
Subscriptions	4,231	4,231
Profit and loss on disposal	(74)	(74)
Storage costs	2,786	2,786
Bad debts	3,892	3,892
Irrecoverable VAT	20,403	20,403
	236,483	236,483
	236,483	236,483

5. Auditors' remuneration

	15 Months Ended 31 March 2021 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	8,000	7,875
	8,000	7,875

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

6. Staff costs

	15 Months 31 March 2021 £	<i>2019 £</i>
Wages and salaries	1,002,210	<i>1,005,880</i>
Social security costs	68,311	<i>68,486</i>
Contribution to defined contribution pension schemes	19,524	<i>18,452</i>
	<u>1,090,045</u>	<i><u>1,092,818</u></i>

The total amount of redundancy payments during the year was £48,089 (2019: £19,497) which includes pay in lieu.

The average number of persons employed by the Company during the period was as follows:

	15 Months Ended 31 March 2021 No.	<i>2019 No.</i>
Directors	6	<i>6</i>
Management	5	<i>7</i>
Admin	2	<i>3</i>
Tutors	5	<i>6</i>
Catering	11	<i>15</i>
Support	27	<i>31</i>
Employment consultant	5	<i>10</i>
	<u>61</u>	<i><u>78</u></i>

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

Total remuneration including employee benefits paid to key management personnel during the year was £217,412 (2019: £210,264)

7. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the period ended 31 March 2021, no Trustee expenses have been incurred (2019 - £NIL).

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

8. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2020	145,317	8,916	95,007	249,240
Disposals	-	-	(77,316)	(77,316)
At 31 March 2021	<u>145,317</u>	<u>8,916</u>	<u>17,691</u>	<u>171,924</u>
Depreciation				
At 1 January 2020	145,317	8,850	74,786	228,953
Charge for the period	-	20	5,054	5,074
On disposals	-	-	(68,208)	(68,208)
At 31 March 2021	<u>145,317</u>	<u>8,870</u>	<u>11,632</u>	<u>165,819</u>
Net book value				
At 31 March 2021	<u>-</u>	<u>46</u>	<u>6,059</u>	<u>6,105</u>
At 31 December 2019	<u>-</u>	<u>66</u>	<u>20,221</u>	<u>20,287</u>

9. Debtors

	31 March 2021 £	31 December 2019 £
Due within one year		
Trade debtors	79,170	65,167
Other debtors	14,248	12,715
Prepayments and accrued income	77,980	117,007
	<u>171,398</u>	<u>194,889</u>

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

10. Creditors: Amounts falling due within one year

	31 March	<i>31</i>
	2021	<i>December</i>
	£	<i>2019</i>
		£
Trade creditors	28,627	<i>15,904</i>
Other taxation and social security	13,635	<i>15,760</i>
Pension fund loan payable	1,814	<i>4,915</i>
Other creditors	-	<i>25,336</i>
Accruals and deferred income	105,819	<i>103,265</i>
	149,895	<i>165,180</i>

ELLINGHAM EMPLOYMENT SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

11. Statement of funds

Statement of funds - current period

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
General Funds - all funds	245,081	1,239,128	(1,223,381)	260,828
Restricted funds				
David Solomon Grant	347	-	(280)	67
Lottery Community Fund	-	74,533	(74,533)	-
London Community Fund	-	23,528	(23,528)	-
GLA Barrista	-	9,000	(9,000)	-
LBWF Infection Control	-	5,400	(1,385)	4,015
	347	112,461	(108,726)	4,082
Total of funds	245,428	1,351,589	(1,332,107)	264,910

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

11. Statement of funds (continued)

Statement of funds - prior period

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2019 £</i>
Unrestricted funds					
General Funds - all funds	351,500	1,210,977	(1,309,171)	(8,225)	245,081
Restricted funds					
Lottery Capital Grant	9,307	-	(17,532)	8,225	-
David Solomon Grant	3,284	-	(3,284)	-	-
David Soloman Grant	1,000	-	(653)	-	347
	<u>13,591</u>	<u>-</u>	<u>(21,469)</u>	<u>8,225</u>	<u>347</u>
Total of funds	<u><u>365,091</u></u>	<u><u>1,210,977</u></u>	<u><u>(1,330,640)</u></u>	<u><u>-</u></u>	<u><u>245,428</u></u>

12. Summary of funds

Summary of funds - current period

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
General funds	245,081	1,239,128	(1,223,381)	260,828
Restricted funds	347	112,461	(108,726)	4,082
	<u>245,428</u>	<u>1,351,589</u>	<u>(1,332,107)</u>	<u>264,910</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

12. Summary of funds (continued)

Summary of funds - prior period

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2019 £</i>
General funds	351,500	1,210,977	(1,309,171)	(8,225)	245,081
Restricted funds	13,591	-	(21,469)	8,225	347
	<u>365,091</u>	<u>1,210,977</u>	<u>(1,330,640)</u>	<u>-</u>	<u>245,428</u>

Restricted Funds

National Lottery Community Fund Covid - Reponse: This is in respect of Covid 19, to support Ellingham in relation to the 'I Can Connect' Project.

The Bailey Thomas Grant and David Soloman Grant were donations received that are to be used for the I Can Ventures project.

London Community Response Fund (LCRF) Grant: This is in respect of purchasing Laptops and Ipads for employees and clients to work remotely.

(LCRF) Mayor's Young Londoners Fund GLA Grant: This is in respect to funds received for a new Barrista Project.

LBWF Infection Control Grant: This is in respect to funds received from Waltham Forest to support staff costs of receiving regular Covid 19 testing and travel to and from work to maintain infection control.

Unrestricted Funds

General funds represent the "free reserves" of the charity for its unrestricted use in connection with its overall charitable objectives

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NOTES TO THE FINANCIAL STATEMENTS
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13. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 31 March 2021 £	Restricted funds 31 March 2021 £	Total funds 31 March 2021 £
Tangible fixed assets	6,104	-	6,104
Current assets	404,619	4,082	408,701
Creditors due within one year	(149,895)	-	(149,895)
Total	260,828	4,082	264,910

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 31 December 2019 £</i>	<i>Restricted funds 31 December 2019 £</i>	<i>Total funds 31 December 2019 £</i>
Tangible fixed assets	20,287	-	20,287
Current assets	389,974	347	390,321
Creditors due within one year	(165,180)	-	(165,180)
Total	245,081	347	245,428

14. Contingent liabilities

In 1998 the charity received a restricted grant of £150,000 from National Lottery Charities Board in order to build and set up a training centre. The conditions of the grants stipulated that such assets shall not be disposed of without prior written consent of the National Lottery Charities Board and, that they shall not be used for any other financial purpose. This restriction applies for 80 years from the date of acquisition, and expires in the year 2078. If the charity does not comply with these conditions, the grant received will have to be repaid.

We are aware that there is a potential clawback of funding in relation to the work choice income stream. However, at this stage this amount has not been quantified or accepted by the Charity.

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15. Pension commitments

The charity operates a defined contribution scheme whose assets are held independently and administered separately from those of the charity. During the year, the cost was £19,524 (2019: £18,452). Contributions totalling £1,814 (2019: £4,914) were payable to the fund at the balance sheet date and are included in creditors. The charity has a commitment in respect of the capital repayment of pension contributions being paid by the London Borough of Waltham Forest of £24,450 (2019: £24,450) due as at year-end.

16. Operating lease commitments

At 31 March 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	31 March 2021	<i>31 December 2019</i>
	£	£
Not later than 1 year	31,000	50,917
Later than 1 year and not later than 5 years	124,000	124,000
Later than 5 years	333,250	364,250
	488,250	539,167

17. Related party transactions

During the year the Amplified IT, a company in which a trustee is the director, provided the Charity with IT services. The total amount of services provided for the current year was £21,641 (2019: £15,413). There is no balance outstanding at the year end to Amplified IT.