
THE PADLEY GROUP
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2020

THE PADLEY GROUP
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 7
Independent auditors' report on the financial statements	8 - 10
Consolidated statement of financial activities	11
Consolidated balance sheet	12
Charity balance sheet	13
Consolidated statement of cash flows	14
Notes to the financial statements	15 - 29

THE PADLEY GROUP
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 March 2020

Trustees

V Miller
B Samra
A Layzell
E Thomson
A Shaw, Chair
P Inman, Secretary
M Connell
G Bennett, Vice Chair

Company registered number

2769300

Charity registered number

1015652

Registered office

27 East Street
Derby
Derbyshire
DE1 2AL

Company secretary

P S Inman

Independent auditors

Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE12RJ

Bankers

Lloyds TSB plc
43 Irongate
Derby
DE1 3FT

THE PADLEY GROUP
(A company limited by guarantee)

Trustees' report
For the year ended 31 March 2020

OUR AIMS AND OBJECTIVES

The Padley Group, a registered charity, was founded in 1985 to provide support, services and facilities for homeless, disadvantaged and distressed people.

The objectives of the charity are:

- To provide facilities for persons who are homeless, destitute, and distressed, and to help them regain a sense of personal worth through the provision of opportunities for training, support and encouragement
- To provide opportunities for care to be expressed to those who often experience rejection
- To meet the basic needs of those who have next to nothing in order to enhance the quality of their lives
- To provide the opportunity for people who have next to nothing to share in a caring community in order to break down feelings of isolation
- To be non-party in politics and non-sectarian in religion, rather being ecumenical, involving the main Christian groups, those of other faiths and those with none.

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

A major review of Padley's work undertaken in September 2018, which recommended that the charity should focus solely on work supporting homeless people. Consequently, the Padley Development Centre, which provided therapeutic and occupational activities together with non-vocational and vocational training for people with various difficulties and disadvantage was closed on April 6 2019. The needs of those attending the Centre are now being met by a successor organisation who is delivering similar services from the same premises, which minimised disruption to this vulnerable group of adults.

The charity (The Padley Group) and its trading subsidiary (Padley Trading) provide opportunities for work placements.

Public Benefit

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

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

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

THE PADLEY GROUP
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2020

The Trustees have taken into account the Charity Commission guidance on Public Benefit in accordance with section 4 of the Charities Act 2006.

ACHIEVEMENTS AND PERFORMANCE

Until the outbreak of the Covid-19 pandemic, financial performance was satisfactory despite the very demanding financial environment. However, during March 2020, fundraising virtually ceased and additional expenditure was required to meet the demands of ensuring the safety of both homeless people and staff. With the closure of the Adult Social Care provision, the opportunity was taken to move the group headquarters staff into a central Derby location in East Street, and amalgamate it with shop premises to form a new 'Padley Hub' facility. There were a number of one-off costs associated with this relocation. As a result of all these factors, a loss of some £80k was incurred during 2019/20. Subsequently, a number of grants have been received which, retrospectively, have made up for the loss of income and increased expenditure caused by the pandemic such that the Group has since restored its cash reserves to pre-pandemic levels.

Income from fundraising activities, including individual and corporate donations, shop sales, letting's and non-statutory grants, made up 69% of overall income as the Group continued to diversify sources of income in order to give greater financial stability. Our campaign of regular donations, 'Padley4000', has remained steady and provides essential core funding which is crucial for the work at the Day Centre for Homeless People.

During the summer months of 2019 extensive work was undertaken to search for new premises to accommodate both the shop and headquarters staff. Previously based in Sadler Gate, Derby, the shop suffered cramped conditions and was in an area with limited footfall. The headquarters staff were located in separate unsatisfactory premises, also distant from the Centre for Homeless People. Opportunity was sought to provide a larger shop site, closer to the main retail area of the City with sufficient upper floor space to house headquarters staff. This was successfully concluded with the acquisition of a lease for premises in East Street, Derby, in November 2019. December saw much work to transfer activities to the new 'Padley Hub', moves which were satisfactorily completed by the end of the year.

The widespread use of 'spice' and other new psychoactive substances continues to place great pressure on all those staff and volunteers working at the Centre for Homeless People. Whilst our work is already a major contributor to the overall City-wide approach to combating homelessness, the charity is fully aware that could greater resources be found, the extent and quality of this work could be much extended.

During 2019-2020 there were over 16,500 visits to the Homeless Centre prior to the March 2020 shutdown, equivalent to around 50 a day, 365 days a year. Six hundred and seventy eight different individuals received support from the Centre, an increase of 25% over the previous year. The great majority of visitors had multiple and complex needs: substance misuse, enduring mental health issues and alcohol abuse were often to be observed within the same person alongside homelessness and unstable social relationships. Warmth, showers and fresh clothing were provided as appropriate. But above all, care, companionship and a sense of 'a place to go' when there was nowhere else. Emergency food parcels were distributed to those in greatest need; over 1,000 during the year were issued.

Visiting clinics and well-being provision at the Homeless Centre have continued and were very well received. Specialist nurses and staff from the Derby Drug Service attended the Centre frequently. Homeless people benefited from regular visits from a hairdresser, optician and podiatrist. Links with the probation service have grown stronger which has supported the rehabilitation of clients. In September 2019 Derby City Public Health Department provided funds to create a medical treatment room at Padley House which was subsequently very well used by the paramedic who is appointed specifically to support people who are homeless. This proved to be of great benefit to the many who required medical treatment, guidance and support.

The men's hostel provided twelve short term beds for those in particular need. A total of 54 different men were accommodated throughout the year, with 83% of moves being a positive and planned exit to accommodation more suited to their needs. Due to the City's high level of need, the hostel was permanently full, with vacant rooms being filled immediately a vacancy occurred.

Catering remained a very important part of Padley's work, providing cooked breakfasts for rough sleepers,

THE PADLEY GROUP
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2020

nourishing lunches at the Centre for Homeless People and ensuring that cups of tea and coffee were available virtually throughout the day. During 2019-20, just over 12,000 meals were prepared.

The great majority of the food prepared by our cooks was given following Harvest celebrations in Churches and schools - 192 schools and churches contributed. The huge collection, sorting, freezing and storing operation during September and October ensured that our food supply costs were kept very low, whilst allowing the production of high-quality nutritious meals for a fraction of what would be charged elsewhere. This has also been greatly supported throughout the year by regular donations of fresh produce from local companies, including Morrisons, Asda, KP snacks, Nandos, Sainsbury's (Chaddesden) and Poundstretcher.

The year had many highlights with many events held by organisations to raise funds for us. Padley managed events depend on the support of benefactors such as Kedleston Golf Club and Derby Cathedral providing venues, with many others organising fundraising activities, including: Derby Homes, The Loughborough Building Society, Flint Bishop, Griffiths Foods, and Rotary Clubs. Another 40 organisations including Women's Institutes, Churches and many local businesses organised fundraising activities. Without such support the work of Padley supporting people who are homeless would not take place. Thank you all!

FINANCIAL REVIEW

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

Principal sources of funding

Total income at £594,228 showed a decrease on 2018/19 of 8.8%, a result of the Covid-19 impact during March 2020.

Income from hostel tenancies provided 31% of total income. Grants, mainly for specific work, provided for 20% of income. The remainder was a result of fundraising activities, alongside donations and shop sales (covenanted by our non-charitable subsidiary, Padley Trading).

Resources expended

Overall expenditure increased by 2.8% (£18,469) but was maintained well within budget.

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

Reserves policy

The unrestricted reserves at 31 March 2020 were £176,115, a decrease of 31% (£80,000), this represents around three months operating costs. The reserves policy is to have six months operating costs.

The Trustees and Management are working towards increasing the reserves to meet the goal of 6 month of operating costs. The reserve reduction in the 2019/20 year given the increased costs associated with the closure of Padley Development Centre and the move of the shop to the new premises on East Street, however, it is expected that reserves will get closer to the policy level during the 2020/21 year as income improves.

Out of the unrestricted reserves £50,532 can only be realised by disposing of tangible fixed assets.

Investments powers, policy and performance

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

THE PADLEY GROUP
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2020

Fixed Assets

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

It is registered as a charity with the Charity Commission.

Induction and training of Trustees

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

Organisational structure

The Board of Trustees administers the charity through bi-monthly meetings and two committees: Finance and Business Operations. The Business Operations committee also oversees the implementation of the Charity's 2020 Vision.

The Padley Group seeks to remunerate all staff at rates commensurate with regional practice, fairness and skill level. Pay rates are reviewed annually at Board level.

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

Principal risks and uncertainties

The Trustees examine the major risks that the charity faces when preparing the annual budget and business plan and when updating the strategic plan. Systems have developed to monitor and control these risks and mitigate any impact that they may have on the charity in the future. There are three particular categories of risk: the first relates to voluntary and trading income, which by their nature can fluctuate. As described in the Financial Review, the Charity is now entirely reliant on funds directly raised through provision of services and fundraising activities without the 'safety net' of public funding. The Board and Finance Committee received regular budgetary control and cash flow reports to ensure financial risks are monitored. The second is concerned with Health and Safety, including Safeguarding, which is particularly important in view of the different categories of client Padley seeks to help. Regular reviews of operating policies and procedures are carried out to ensure mitigation of operational risks and regular risk assessment of properties and equipment are carried out to minimise health and safety risks. Finally, Trustees are concerned with minimising reputational risk. For many reasons, including those relating to fundraising and partnership working, the positive local and national reputation of Padley and its work is essential in enabling it to fulfil its aims and objectives.

PLANS FOR FUTURE PERIODS

Working with St James' Securities of Leeds, the Derby City Council announced in July 2020 that the Becketwell Development in Victoria Street, Derby, was to acquire property and land in Becket Street in order to provide access to an Arena. This will involve the demolition of Padley House, our Centre for Homeless People. The City Council have agreed to enable the charity to find suitable alternative accommodation, at no additional cost and with at least equivalent facilities. These negotiations are as yet in the initial stages, though the proposed challenging timescale is to complete the relocation by the summer of 2021.

THE PADLEY GROUP
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2020

Further to the renewed emphasis on tackling homelessness, and working with Metropolitan Thames Valley Housing, our current landlords at Padley House, (our Centre for Homeless People), Padley is also exploring the potential of providing move-on accommodation for hostel residents. Currently, many landlords are reluctant to let property to men moving on from hostel accommodation whilst Padley are equally reluctant to move men out of the hostel when they are capable of supported, independent living without the certainty of a responsible landlord.

In accordance with our values, the charity is seeking to work ever more closely with other agencies, both statutory and voluntary, who share the same objectives. Padley has signed a Memorandum of Understanding with the Mid Mercia Citizens' Advice Bureau to explore potential for collaborative working. We recognise that only by working together can some of the major challenges surrounding people who are homeless be effectively addressed.

TRUSTEES' APPRECIATION

The Board would like to publicly acknowledge their appreciation of the Padley staff and volunteers without whom our achievements would not have been possible. Staff and volunteers continue to go beyond 'the call of duty' to support our many clients which enables the service to function effectively. This has been particularly the case during 2019/20 when both the headquarters and the shop moved locations and all users of the Development Centre were found alternative provision and, in the month of March, when the challenges of Covid-19 began to emerge.

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

We are also grateful to the schools in Derby and Derbyshire and the many businesses, organisations and individuals that are established contributors to the running of the services we deliver through funding, donations and volunteering their time. We are also grateful for the support of Derby City Council and Public Health who continue to work with us to offer services to the most vulnerable in our society. Our thanks must also go to the NHS both nationally and locally and the Police and many other statutory bodies with whom we work on a daily basis to rebuild shattered lives.

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

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Padley Group for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation,

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the

THE PADLEY GROUP
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2020

financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

This report was approved by the Trustees, in their capacity as company directors and signed on their behalf by:

A Shaw

Date: 30 November 2020

THE PADLEY GROUP
(A company limited by guarantee)

Independent auditors' report to the Members of The Padley Group

Opinion

We have audited the financial statements of The Padley Group (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated 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 Group's and of the parent charitable company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

THE PADLEY GROUP
(A company limited by guarantee)

Independent auditors' report to the Members of The Padley Group (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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE PADLEY GROUP
(A company limited by guarantee)

Independent auditors' report to the Members of The Padley Group (continued)

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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Wayne Thomas ACA (Senior Statutory Auditor)

for and on behalf of

Bates Weston Audit Ltd

Statutory Auditors

Chartered Accountants

The Mills

Canal Street

Derby

DE12RJ

3 December 2020

THE PADLEY GROUP
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2020

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	-	163,317	163,317	174,156
Charitable activities	4	88,210	221,510	309,720	322,814
Other trading activities	5	-	120,327	120,327	153,848
Investments	6	-	864	864	995
		88,210	506,018	594,228	651,813
Expenditure on:					
Raising funds		-	38,576	38,576	23,042
Charitable activities		63,498	573,072	636,570	633,635
		63,498	611,648	675,146	656,677
Net gains on investments		-	691	691	-
		24,712	(104,939)	(80,227)	(4,864)
Transfers between funds	15	(24,950)	24,950	-	-
		(238)	(79,989)	(80,227)	(4,864)
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		136,348	256,104	392,452	397,316
Net movement in funds		(238)	(79,989)	(80,227)	(4,864)
		136,110	176,115	312,225	392,452
Total funds carried forward					

The notes on pages 15 to 29 form part of these financial statements.

THE PADLEY GROUP
(A company limited by guarantee)
Registered number: 2769300

Consolidated balance sheet
As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	176,773	152,139
		176,773	152,139
Current assets			
Debtors	12	39,533	63,058
Investments	13	133,602	132,646
Cash at bank and in hand		53,394	86,390
		226,529	282,094
Creditors: amounts falling due within one year	14	(91,077)	(41,781)
		135,452	240,313
Total assets less current liabilities		312,225	392,452
Total net assets		312,225	392,452
Charity funds			
Restricted funds	15	136,110	136,348
Unrestricted funds	15	176,115	256,104
		312,225	392,452
Total funds		312,225	392,452

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:

A Shaw

Date: 30 November 2020

The notes on pages 15 to 29 form part of these financial statements.

THE PADLEY GROUP
(A company limited by guarantee)
Registered number: 2769300

Charity balance sheet
As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	132,797	101,991
Investments	11	2	2
		132,799	101,993
Current assets			
Debtors	12	37,353	61,009
Investments	13	133,602	132,646
Cash at bank and in hand		29,014	65,193
		199,969	258,848
Creditors: amounts falling due within one year	14	(87,100)	(57,405)
		112,869	201,443
Net current assets		112,869	201,443
Total assets less current liabilities		245,668	303,436
Total net assets		245,668	303,436
Charity funds			
Restricted funds	15	136,110	136,348
Unrestricted funds	15	109,558	167,088
Total funds		245,668	303,436

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:

.....
A Shaw

Date: 30 November 2020

THE PADLEY GROUP
(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 March 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net cash used in operating activities	7,800	(41,635)
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	-	1,000
Purchase of tangible fixed assets	(39,840)	(6,495)
	<hr/>	<hr/>
Net cash used in investing activities	(39,840)	(5,495)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(32,040)	(47,130)
Cash and cash equivalents at the beginning of the year	219,036	266,166
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	186,996	219,036
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 29 form part of these financial statements

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

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

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

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

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

1. Accounting policies (continued)

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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

1.4 Tangible fixed assets and depreciation

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 Charity 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, using the straight-line method.

Depreciation is provided on the following bases:

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

1.5 Investments

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

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

1.6 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

1. Accounting policies (continued)

1.7 Operating leases

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

1.8 Pensions

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

1.9 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 Group 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 Group 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. Company status

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

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	150,430	150,430	152,908
Legacies	12,887	12,887	21,248
	<u>163,317</u>	<u>163,317</u>	<u>174,156</u>

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

4. Income from charitable activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Hostel income	-	186,245	186,245	180,460
Grant income	88,210	30,000	118,210	33,324
Training contracts	-	5,265	5,265	109,030
	<u>88,210</u>	<u>221,510</u>	<u>309,720</u>	<u>322,814</u>
<i>Total 2019</i>	<u>33,324</u>	<u>289,490</u>	<u>322,814</u>	

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Fundraising	75,092	75,092	82,946
Other trading income	14,324	14,324	24,243
Shop trading income	22,289	22,289	30,198
Sale of food and products	8,622	8,622	16,461
	<u>120,327</u>	<u>120,327</u>	<u>153,848</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Interest on cash deposits	864	864	995
	<u>864</u>	<u>864</u>	<u>995</u>

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Hostel and centres	392,349	244,221	636,570	633,635

Analysis of direct costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	372,995	334,291
Depreciation	15,206	13,612
Kitchen and collection costs	2,118	4,562
Service user costs	2,030	2,487
	392,349	354,952

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	100,668	128,479
Maintenance	9,746	12,167
Finance costs	15,887	8,356
Legal and professional fees	6,206	4,182
Training and personnel	3,263	2,206
Administration	10,155	12,508
Auditors remuneration	4,600	4,580
Cleaning and premises expenses	26,427	26,251
Utilities	17,967	23,493
Fundraising and publicity	2,733	14,875
Rent, rates and insurance	46,569	41,586
	244,221	278,683

8. Staff costs

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Wages and salaries	440,244	426,350	440,244	426,350
Social security costs	24,780	27,883	24,780	27,883
Contribution to defined contribution pension schemes	8,639	8,537	8,639	8,537
	473,663	462,770	473,663	462,770

Redundancy payments of £12,520 have been paid during the year (2019; £Nil) due to the closure of the Padley Development Centre ceasing operation. These are measured at the cost to the company and are fully paid at the balance sheet date.

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

8. Staff costs (continued)

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

	Group 2020 No.	<i>Group 2019 No.</i>
Average number of employees	24	23

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

Key management personnel are considered to be the Business Manager and Finance Co-ordinator who received total remuneration of £42,599 (2019: £67,363).

9. Trustees' remuneration and expenses

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

During the year ended 31 March 2020, travel expenses totalling £205 were reimbursed or paid directly to 2 Trustees (2019 - £141 to 1 Trustee).

10. Tangible fixed assets

Group

	Long-term leasehold property £	Motor vehicles £	Total £
Cost			
At 1 April 2019	386,411	6,495	392,906
Additions	39,840	-	39,840
At 31 March 2020	426,251	6,495	432,746
Depreciation			
At 1 April 2019	239,143	1,624	240,767
Charge for the year	13,582	1,624	15,206
At 31 March 2020	252,725	3,248	255,973
Net book value			
At 31 March 2020	173,526	3,247	176,773
<i>At 31 March 2019</i>	<i>147,268</i>	<i>4,871</i>	<i>152,139</i>

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

10. Tangible fixed assets (continued)

Group (continued)

Charity

	Long-term leasehold property £
Cost	
At 1 April 2019	272,707
Additions	39,840
At 31 March 2020	312,547
 Depreciation	
At 1 April 2019	170,716
Charge for the year	9,034
At 31 March 2020	179,750
 Net book value	
At 31 March 2020	132,797
<i>At 31 March 2019</i>	101,991

11. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost	
At 1 April 2019	2
At 31 March 2020	2

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

11. Fixed asset investments (continued)

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

During the year ended 31 March 2020 Padley Trading limited reported a turnover of £22,289 (2019: £30,198) and an operating loss for the year of £22,459 (2019: £984 profit). At the balance sheet date the company had net assets of £66,559 (2019: £89,018).

12. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Due within one year				
Trade debtors	14,156	17,475	14,156	17,475
Amounts owed by group undertakings	-	-	7,407	-
Other debtors	9,289	13,186	6,961	13,080
Prepayments and accrued income	16,088	32,397	8,829	30,454
	39,533	63,058	37,353	61,009

13. Current asset investments

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Short term deposits	133,602	132,646	133,602	132,646

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

14. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Trade creditors	46,453	17,737	46,453	17,737
Amounts owed to group undertakings	-	-	-	15,624
Other creditors	10,315	9,922	10,315	9,922
Accruals and deferred income	34,309	14,122	30,332	14,122
	<u>91,077</u>	<u>41,781</u>	<u>87,100</u>	<u>57,405</u>
	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Deferred income at 1 April 2019	5,350	6,177	5,350	6,177
Resources deferred during the year	18,347	5,350	18,347	5,350
Amounts released from previous periods	(5,350)	(6,177)	(5,350)	(6,177)
	<u>18,347</u>	<u>5,350</u>	<u>18,347</u>	<u>5,350</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
General Funds - all funds	<u>256,104</u>	<u>506,018</u>	<u>(611,648)</u>	<u>24,950</u>	<u>691</u>	<u>176,115</u>
Restricted funds						
Day centre refurbishments	67,695	-	(859)	-	-	66,836
EMDA - Recycling centre capital grant	65,986	-	(6,581)	-	-	59,405
PCC - Grant 2	2,667	7,333	(10,000)	-	-	-
Lloyds Bank Foundation	-	31,000	(31,000)	-	-	-
DCC - Clinical room	-	24,950	-	(24,950)	-	-

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

15. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Enterprise Development Fund	-	10,000	(10,000)	-	-	-
Jeff Wellor Community Grant	-	1,285	(512)	-	-	773
WoRTH	-	13,642	(4,546)	-	-	9,096
	<u>136,348</u>	<u>88,210</u>	<u>(63,498)</u>	<u>(24,950)</u>	<u>-</u>	<u>136,110</u>
Total of funds	<u>392,452</u>	<u>594,228</u>	<u>(675,146)</u>	<u>-</u>	<u>691</u>	<u>312,225</u>

Statement of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2019 £</i>
Unrestricted funds				
General Funds - all funds	214,788	618,489	(577,173)	256,104
Restricted funds				
Co-op Making a Difference Community Dividend	1,508	-	(1,508)	-
Day centre refurbishments	74,277	-	(6,582)	67,695
EMDA - Recycling centre capital grant	66,844	-	(858)	65,986
Hedley Foundation	21	-	(21)	-
Lloyds Bank Foundation	12,299	-	(12,299)	-
PCC	7,204	-	(7,204)	-
PCC - Grant 2	19,375	29,334	(46,042)	2,667
The Gordon Trust	1,000	-	(1,000)	-
Foundation Derbyshire FERN	-	3,990	(3,990)	-
	<u>182,528</u>	<u>33,324</u>	<u>(79,504)</u>	<u>136,348</u>

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

15. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£
Total of funds	<u>397,316</u>	<u>651,813</u>	<u>(656,677)</u>	<u>392,452</u>

16. Description of funds

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

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

PCC and grant 2 are the Police Crime Commissioner grants received to help fund the opening of the Homeless Centre Bistro for longer hours two days a week.

Lloyds foundation funding is to support staff costs in the delivery of Housing support to reduce homelessness and prevent repeat homelessness. This funding is part of the Enhance programme providing additional support from consultants to undertake: Governance Review; achieve Registered Provider status; Business Manager's skill development and many more dependent on need.

WoRTH funding provided by MHCLG from Tampon Tax funding to support the "Ending of risk to Women through Homelessness", Padley is the lead partner of a tripartite arrangement with Mid Mercia CAB and Women's Work. We have appointed a Women's Champion who is being supported and mentored by Women's Work and supported with advise surgeries by MMCAB. The aims of the project are to upskill our own staff in delivering Trauma Informed gender specific services and provide a gender informed space for the delivery of our services. We are to map provision for Women at Risk in derby and share those pathways with all relevant sectors. We will also train 40 staff across organisations in the City to also deliver trauma informed gender specific services.

DCC Public health England funding to provide Clinical facilities at a venue of choice for the provision of primary health care service to the homeless community.

The DCC Clinical room funding has been transferred as the funding was provided in order complete works at Padley House. Upon the completion the restrictions are fulfilled and no further restrictions over the works are present therefore is now classified as unrestricted.

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	256,104	506,018	(611,648)	24,950	691	176,115
Restricted funds	136,348	88,210	(63,498)	(24,950)	-	136,110
	<u>392,452</u>	<u>594,228</u>	<u>(675,146)</u>	<u>-</u>	<u>691</u>	<u>312,225</u>

Summary of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2019 £</i>
General funds	214,788	618,489	(577,173)	256,104
Restricted funds	182,528	33,324	(79,504)	136,348
	<u>397,316</u>	<u>651,813</u>	<u>(656,677)</u>	<u>392,452</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	126,241	50,532	176,773
Current assets	21,801	204,728	226,529
Creditors due within one year	(11,932)	(79,145)	(91,077)
Total	<u>136,110</u>	<u>176,115</u>	<u>312,225</u>

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	133,681	18,458	152,139
Current assets	2,667	279,427	282,094
Creditors due within one year	-	(41,781)	(41,781)
Total	136,348	256,104	392,452

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	<i>Group 2019 £</i>
Net expenditure for the period (as per Statement of Financial Activities)	(80,227)	<i>(4,864)</i>
Adjustments for:		
Depreciation charges	15,206	<i>13,612</i>
Loss/(profit) on the sale of fixed assets	-	<i>(1,000)</i>
Movement in stocks	-	<i>441</i>
Movement in debtors	31,742	<i>(44,092)</i>
Movement in creditors	41,079	<i>(5,732)</i>
Net cash provided by/(used in) operating activities	7,800	<i>(41,635)</i>

20. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	53,394	<i>86,390</i>
Current asset investments	133,602	<i>132,646</i>
Total cash and cash equivalents	186,996	<i>219,036</i>

THE PADLEY GROUP
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

21. Analysis of changes in net debt

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	86,390	(32,996)	53,394
Liquid investments	132,646	956	133,602
	<u>219,036</u>	<u>(32,040)</u>	<u>186,996</u>

22. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £8,639 (2019 - £8,537). Contributions totalling £1,710 (2019 - £698) were payable to the fund at the balance sheet date and are included in creditors.

23. Operating lease commitments

At 31 March 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020	Group 2019
	£	£
Not later than 1 year	31,320	1,393
Later than 1 year and not later than 5 years	24,342	1,440
	<u>55,662</u>	<u>2,833</u>

24. Other financial commitments

The Charity extended its housing management contract with Metropolitan Housing Trust Limited for the top floor of Systems House, paying a rent of £30,000 per annum for six months commencing 1 April 2020.