

**THE PEEL INSTITUTE COMPANY
(A COMPANY LIMITED BY GUARANTEE)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2018**

Company registration number (England and Wales): 3389572

Charity registration number: 1068155

THE PEEL INSTITUTE COMPANY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

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THE PEEL INSTITUTE COMPANY
LEGAL AND ADMINISTRATION
FOR THE YEAR ENDED 31ST MARCH 2018

Company No.	3389572	
Charity No.	1068155	
Trustees:	Natasha Anderson - Appointed 20th March 2018 Robert Andrews Alice Margaret Donovan Jonathan Gillett (President) Roger Gillett Arvinda Gohil (Chair) - Appointed 26th June 2018 Alan Geoffrey Llewellyn (Vice Chair) Jonathan Martyr Michael John May (Chair) - Resigned 26th June 2018 Patrick June Patricia Mulroy - Resigned 20th October 2017 Sarah Woodfield - Appointed 20th March 2018	Minns
Chief Executive:	Thomas Neumark	
Registered office:	Corners Learning Centre 3 Northampton Road London EC1R 0HU	
Auditor:	haysmacintyre 10 Queen Street London EC4R 1BE	
Bankers:	Barclays 9 Portman Square London W1A 3AL	
Solicitors:	Russell Cooke 2 Putney Hill Putney London SW15 6AB	
Investment Managers:	Cazenove Capital 31 Gresham Street London EC2V 7QA	Rathbone Investment 8 Finsbury Circus London EC2m 7AZ
Governing Deed:	Articles of Association	

THE PEEL INSTITUTE COMPANY

LEGAL AND ADMINISTRATION (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

Mission statement:

The Peel's vision is to create a connected community where everyone benefits from living here.

The Peel's three missions are to:

- Help children living in poverty to improve their life chances by connecting them and their families with others in the community;
- Help older people who are lonely or at risk of isolation to become active citizens by connecting them with others in the community; and
- Provide opportunities for residents to participate in activities through which they can make acquaintances across divides, for mutual benefit.

THE PEEL INSTITUTE COMPANY

REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31ST MARCH 2018

Governance

The Peel (Institute) a company limited by guarantee and a registered charity, was formed in 1898. The organisation operates under the company's Articles of Association, which sets out the objectives of the Charity, its powers and rules governing its procedures.

Structure and Management

Members of the Board of Directors, who act as Trustees of the Charity, and number not less than four and not more than fifteen, supervise the governance and management of the organisation. Directors who served during the year, or have been subsequently appointed, are shown on page one.

Appointment to the Board is by nomination by the members after the needs of the Charity are considered by the current Directors. The Board of Directors aims to ensure that the composition of Directors contains individuals with suitable skills and experience to contribute positively to the governance of the Charity. Trustees are given a thorough induction including provision of information provided by the Charity Commission on the role of a trustee. Training is provided on a personalised basis.

The organisation has a clear organisational structure with lines of authority and delegation, which are regularly reviewed by the Board. The Board is responsible for setting strategies and policies and for ensuring that these are implemented by the Chief Executive on behalf of the Board.

The Board has responsibility for setting remuneration of the CEO and key management personnel. In doing so it undertakes market testing and benchmarking against other similar sized organisations and those with growth and change ambitions similar to our own.

Policy, planning and risk management

The Board are responsible for the management of the risks faced by the organisation, for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Board review the organisational risk position, internal control assessment and its compliance with relevant statutory and finance regulations. In order to evaluate and manage risk a risk register is maintained, which is monitored and reviewed at each Board meeting. This process identifies the major risks the organisation faces, the likelihood of occurrence, the significance of the risk and any mitigating controls that are in place and seeks to identify any actions and resources required to manage these risks further. Risks identified include retention of key staff, inability to generate future income, safeguarding risks to vulnerable service users, young and older and health and safety risks. Mitigation has included opportunities for professional development for staff, review of the fundraising strategy, regular risk assessments of sites and ongoing training.

The Board has agreed clear lines of authority with staff. The Board is satisfied that systems are in place to mitigate our exposure to major risks, both from within the charity and to those related to the external environment over which we have no control.

Review of Past Activities

In the course of 2017/18 we agreed a new vision and mission for The Peel.

Vision

A Connected Community where everyone benefits from living here.

THE PEEL INSTITUTE COMPANY
REPORT TO THE TRUSTEES (continued)
FOR THE YEAR ENDED 31ST MARCH 2018

Review of Past Activities (continued)

Mission

- We help children living in poverty to improve their life chances by connecting them and their families with others in the community
- We help older people who are lonely or at risk of isolation to become active citizens by connecting them with others in the community
- We provide opportunities for residents to participate in activities through which they can make acquaintances across divides, for mutual benefit

Goal

In 2020/21 The Peel will support 1,000 residents to become acquaintances with people they would not otherwise have met, for mutual benefit

Values

- Learning - We learn as we go, focusing on finding out what works and what makes a difference
- Partnership – We work in partnership to deliver projects and activities
- Equality and Diversity – We promote all residents wellbeing without distinction
- Compassionate – We treat everyone with respect and dignity

3 Year Plan

2018/19	2019/20	2020/21
Develop new programmes	Trial new programmes	Roll out programmes

We will invest in development of our programmes over the period 2018/19 - 2020/21 to ensure they are sustainable and innovative.

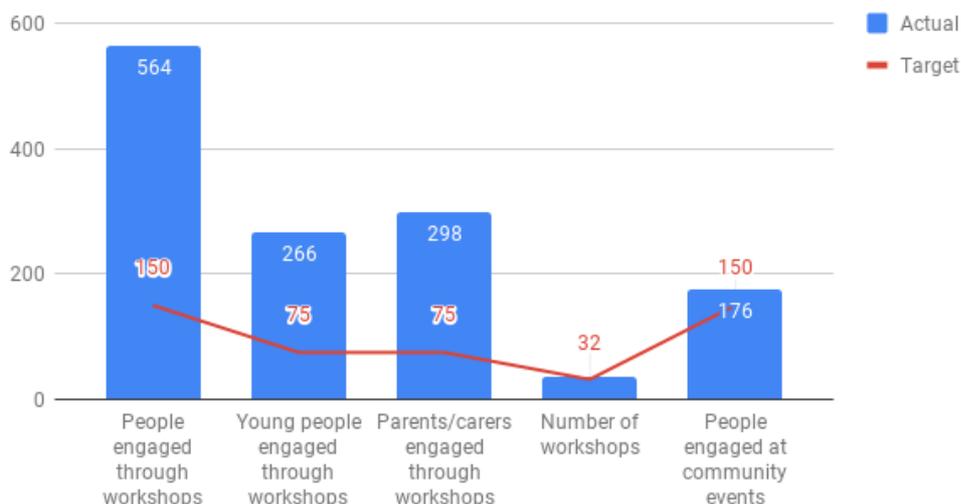
THE PEEL INSTITUTE COMPANY
REPORT TO THE TRUSTEES (continued)
FOR THE YEAR ENDED 31ST MARCH 2018

Review of Past Activities (continued)

Mental Health Awareness

Our ‘Direct Action Project’ works with young people and parents across Islington to increase understanding around mental health, break-down stigma and to let people know where free and low cost support is available in Islington. In 2017/18 we exceeded all targets.

Direct Action Project annual delivery



We delivered 37 workshops (35 in 2016/17) which were attended by a total of 298 adults and 266 young people (108 and 381 respectively in 2016/17). We engaged with 176 people (221 in 2016/17), made up of 46 young people and 130 adults, at a total of 10 community events.

Digital Champions

We were commissioned by Islington CCG and council to design and deliver a 3-hour workshop to familiarise a range of youth professionals with 4 NHS-approved digital apps, all designed to support emotional health and wellbeing. 7 training sessions were delivered between December 2017- February 2018, with 65 professionals from a range of children and young people’s services.

“All the sessions were informative...One to one conversations, group conversations, worksheets and anecdotes made the environment a positive and open one for everyone. The young people were very receptive and felt comfortable around them and asked a lot of questions. I was more than satisfied with the sessions and look forward to working with the Peel Institute in the near future.”

Senior Youth Worker at a partner organisation

THE PEEL INSTITUTE COMPANY
REPORT TO THE TRUSTEES (continued)
FOR THE YEAR ENDED 31ST MARCH 2018

Review of Past Activities (continued)

Social club for over 55s

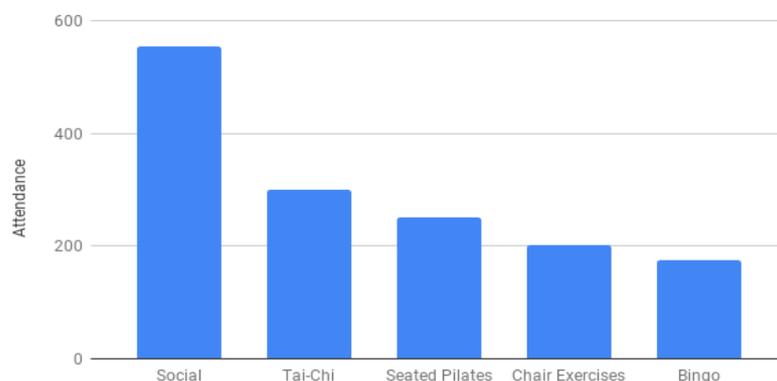
Our social club took place 5 days per week based at the 3 Corners Centre. In 2017/18 we:

- Had an average monthly attendance of 528 people (426 in 2016/17)
- Served an average of 219 lunches per month (150 in 2016/17)
- Provided transport to 136 people per month (85 in 2016/17)

Activities

- We ran 20 different types of activities in the year, from Art to Zumba
- Ran 56 activities per month with a monthly average of 792 attendees at our activities (704 in 2016/17)

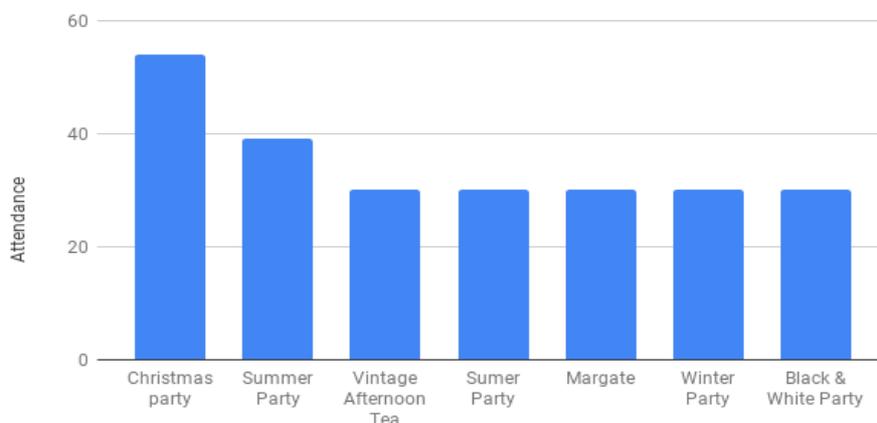
Best attended activities



Outings and one off events

- Ran 90 outings and one off events (77 in 2016/17) with an average attendance of 14 people per outing (16 in 2016/17)

Best attended one off events



“lots of classes to do and a place to belong”
“top marks, a lovely club”
“very very friendly plus a good crowd of people”
 Feedback from members of The Peel’s Social Club

THE PEEL INSTITUTE COMPANY

REPORT TO THE TRUSTEES (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

Review of Past Activities (continued)

Services for children and young people

We established a number of new projects working with children and young people.

- 10 children attend our weekly coding club learning about digital creativity from experts who volunteer their time
- Up to a dozen young people attend our weekly youth club learning life skills such as cooking and first aid
- Our Finsbury Families project, working in partnership with Hugh Myddelton school, supported 5 children and their parents through a mixture of one to one and group work.

We stopped providing an after-school club at Clerkenwell Parochial School following changes at the school.

"I would recommend this [club] to other kids to join"

"you get to stay up late but not too late"

"children are well looked after and enjoy themselves"

Feedback from our youth club and code club members and their parents

Ward partnerships

In partnership with St Luke's Community Centre, we organised ward partnerships on fire safety in high rise buildings and services for 0 - 5 year olds. Ward partnerships give local residents, community groups and businesses the opportunity to shape services and improve their neighbourhoods.

Support to local residents

We provided space for the charity Help on Your Doorstep to hold appointments with 185 clients. Support provided includes advocacy support, help with forms, information and advice, other practical help including fare share food donations.

Supporters and fundraising note

We would like to thank the Octopus network, The Co-op, the London Borough of Islington, City University and all the other organisations and individuals who have supported The Peel in 2017/18.

The Peel raises money to provide services through apply for contracts to deliver these services, applying to trusts and foundations for grants and securing corporate sponsorship. To do so we employed a part time Head of Development in March 2018.

The Peel complies with the Fundraising Regulator's voluntary regulation scheme in all our fundraising activity.

Staff and Volunteers

The support of volunteers enables the Peel to provide a range of services. From the Trustees to student placements, corporate volunteers and regular project volunteers our work is sustained by their assistance. In 2017 we had a regular team of more than 20 volunteers who gave their time and talents in support of our work and a number of corporate volunteers who were able to offer one-off project support. This time supported both operational activities and the governance of the charity.

THE PEEL INSTITUTE COMPANY

REPORT TO THE TRUSTEES (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

Statement on Public Benefit

The Trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. In particular our services are aimed at the prevention or relief of poverty, advancement of health and advancement of citizenship or community development.

Financial review

The statement of financial activities shows income for the year of £391,385 with expenditure of £434,744 leaving a deficit of £43,359 before investments losses of £171,480. At the end of the year we carry forward a reserve of £8,443,924, of which £7,785,161 is designated.

Reserves policy

The Board policy with regard to reserves is to make suitable investments, that support the ongoing development of the Charity, whilst maintaining adequate funds to deal with current needs. The appropriate level of reserves of the Charity will be reviewed on a regular basis based on analysis of projected income and costs. The current approach is to maintain reserves equal to 6 months operating cost i.e. £330,000 covered by unrestricted reserves and liquid cash.

Investment

The powers of investment of the Board are governed by the trust deed, which grants powers to invest monies of the company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to such conditions and consents as may be imposed or required by law.

During 2017/18 Trustees established an Investment subcommittee to decide how to invest the proceeds from the sale of The Peel Centre. The subcommittee was made up of three trustees and a co-opted member with experience of investment. Following a competitive process, the Board invested:

- £1.75m in Rathbone's Core Investment Fund for Charities & £2.25m in Rathbone's Active Income and Growth Fund for Charities
- £1.75m in Cazenove's Charity Multi-Asset Fund & £2.25m in a bespoke portfolio of absolute return funds (with an additional liquidity fund as required) managed by Cazenove

The table below describes the board's approach to managing our reserves, giving a rationale for how we will designate each fund:

Fund name	Description	Value at 31st March 2018
Reserves	6 months' turnover	£330,000
Programme development	Cost of developing new programmes over 2018/9-2019/20	£328,763
Property	Designated for a future potential investment in property	£3,350,000
Endowment	Generate an income to cover core costs	£4,435,161
Total		£8,443,924

THE PEEL INSTITUTE COMPANY

REPORT TO THE TRUSTEES (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

Investment (continued)

Unrestricted funds

The charity's unrestricted funds are all expendable by conversion into income, in whole or in part, at the discretion of the Board. They represent gifts received and income generated over a number of years, primarily to provide an alternative source of income for the charity, for its general purposes.

Future Plans

During the course of 2018/19 The Peel will:

- Continue to deliver services for older people and children and younger people, at the 3 Corners Centre and throughout Clerkenwell and Islington
- Create a new visual identity, including a new logo and website, to represent our new vision and mission
- Work with the local community to develop locally led projects
- Review options for different models for working in partnership with local organisations

Fundraising

The institute does not carry out any public fundraising, nevertheless it is mindful of the guidance provided by the fundraising regulator.

Statement of Directors' and Trustees' Responsibilities

The Trustees, as directors of the charitable company, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

THE PEEL INSTITUTE COMPANY
REPORT TO THE TRUSTEES (continued)
FOR THE YEAR ENDED 31ST MARCH 2018

Statement of Directors' and Trustees' Responsibilities (continued)

So far as each of the directors is aware at the time the report is approved:

- There is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

haysmacintyre were appointed as auditors during the year. A resolution to re-appoint haysmacintyre will be proposed at the Annual General Meeting.

Approved by the Trustees on and signed on their behalf by

.....

**Director
(Trustee)**

.....

**Director
(Trustee)**

Opinion

We have audited the financial statements of The Peel Institute for the year ended 31 March 2018 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 2018 and of the charitable company's net movement in funds, including the 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement **set out on page 11**, 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.

Auditor's 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 auditor's 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 auditor's report.

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 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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PEEL INSTITUTE COMPANY
(Continued)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

Opinions 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 Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 Report of the Trustees (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the 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.

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. 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 Auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
David Sewell
Senior Statutory Auditor
for and on behalf of haysmacintyre,
Statutory Auditors and Chartered Accountants

Dated.....
10 Queen Street
London
EC4R 1AG

THE PEEL INSTITUTE COMPANY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST MARCH 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
INCOMES AND ENDOWMENTS FROM					
Donations and legacies		24,371	-	24,371	30,229
Other trading activities	2	-	-	-	90
Investments	2	109,126	-	109,126	22,958
Charitable activities	2	91,472	166,417	257,889	189,538
Total income and endowments		224,969	166,417	391,386	242,815
EXPENDITURES ON:					
Raising funds		153,445	-	153,445	108,969
Charitable activities:					
Day Centre		45,998	12,051	58,049	144,010
Youth club		13,855	-	13,855	36,068
Child care		20,293	3,617	23,910	75,017
Direct Action Project		5,100	66,250	71,350	-
Community Development		29,637	84,499	114,136	165,515
Total expenditures	6	268,328	166,417	434,745	529,577
NET INCOME/(EXPENDITURE) before losses on investment		(43,359)	-	(43,359)	(286,762)
Net gains(losses) on investments		(171,480)	-	(171,480)	-
NET INCOME/(EXPENDITURE)		(214,839)	-	(214,839)	(286,762)
TRANSFERS BETWEEN FUNDS	11 & 12	-	-	-	-
NET MOVEMENT IN FUNDS		-	-	(214,839)	(286,762)
RECONCILIATION OF FUNDS					
Total funds brought forward at 1st April		8,658,763	-	8,658,763	8,945,525
Total funds carried forward at 31st March		8,443,924	-	8,443,924	8,658,763

- All transactions are derived from continuing activities.
- All recognised gains and losses are included in the Statement of Financial Activities.

THE PEEL INSTITUTE COMPANY

BALANCE SHEET AT 31ST MARCH 2018

	Note	Total 2018 £	Total 2017 £
FIXED ASSETS			
Tangible Assets	7	1,430	2,681
Investments	7a	7,828,970	-
CURRENT ASSETS			
Debtors	8	20,421	5,207
Cash at Bank and in Hand		646,865	8,678,213
Total Current assets		<u>667,286</u>	<u>8,683,420</u>
LIABILITIES			
Creditors: Amounts falling due within one year	9	<u>(53,762)</u>	<u>(27,338)</u>
Net Current assets or (liabilities)		613,524	8,656,082
Total net assets or liabilities		<u>8,443,924</u>	<u>8,658,763</u>
THE FUNDS OF THE CHARITY			
Restricted funds	11	-	-
Unrestricted funds:			
General funds	10	658,763	658,763
Designated funds	10	<u>7,785,161</u>	<u>8,000,000</u>
Total charity funds		<u>8,443,924</u>	<u>8,658,763</u>

Approved by the Board of Directors on

2018 and signed on its behalf by:

.....
Director
(Trustee)

.....
Director
(Trustee)

THE PEEL INSTITUTE COMPANY

STATEMENT OF CASH FLOWS AT 31ST MARCH 2018

FOR THE YEAR ENDED 31ST MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	a	<u>(311,504)</u>	<u>8,452,921</u>
Cash flows from investing activities:			
Dividends, interests and rents from investments		109,125	22,958
Purchase in Investments		<u>(7,828,971)</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(7,719,844)</u>	<u>22,958</u>
Cash flows from financing activities:		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(8,031,348)	8,472,091
Cash and cash equivalents at the beginning of the reporting period	b	<u>8,678,213</u>	<u>206,122</u>
Cash and cash equivalents at the end of the reporting period	b	<u>646,865</u>	<u>8,678,213</u>
RECONCILIATION OF NET INCOME(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES			
(a)		2018	2017
Net income (expenditure for the reporting period (as per SOFA))			
Adjustments for:		(214,839)	(286,762)
Depreciation		1,251	1,108
Dividends, interests and rent from investments		(109,126)	(22,958)
(Increase)/decrease in debtors		(15,214)	8,779,317
Increase/(decrease) in creditors		<u>26,424</u>	<u>(17,784)</u>
Net cash provided by (used in) operating activities		<u>(311,504)</u>	<u>8,452,921</u>
(b)		2018	2017
ANALYSIS OF CASH AND CASH EQUIVALENT			
Cash in hand		4	350
Notice deposit (less than 3 Months)		121,861	77,862
Treasury Deposit		525,000	8,600,000
Total cash and cash equivalent		<u>646,865</u>	<u>8,678,213</u>

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2018

1. ACCOUNTING POLICIES

a) Basis of accounting

The Peel Institute is a company limited by guarantee not having a shared capital registered in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are set on page 2.

The Peel Institute meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Charities SORP (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

The financial statements are prepared on a going concern basis under the historical cost convention, or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

The only potential restatement was regarding the employees annual leave entitlement. The assessment of the amount outstanding has been regarded as immaterial, therefore there was no requirement to recognise a liability.

c) Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. The income represents the total income receivable during the year comprising grants, donations and gifts, members' subscriptions and operating income.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Income from grants are recognised in full in the SoFA in the year in which the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Income from trading activities and members' subscriptions is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred, any performance conditions have been met and the amount can be measured reliably

Income received in advance for specified contractual services is deferred until the performance condition for income recognition are met.

Income recognition (continued)

Investment income includes interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank

d) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The cost 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.

e) Expenditure recognition and irrecoverable VAT

Expenditure is accounted for on an accrual basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds: comprise the costs of advertising, professional fees and the specific staff cost
- Expenditure on charitable activities: includes the costs for:
 - Day Centre providing adult education classes, health and wellbeing activities for the over 55s
 - Youth Club including youth employment projects
 - Child Care and after school activities
 - Direct Action providing mental health awareness projects
 - Community Development providing capacity building for small community groups

All activities under this category are undertaken to further the purposes of the charity and their associated support costs. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f) Allocation of support costs

Support costs are those that assist the work of the charity programmes and activities but do not directly undertake charitable activities and include premises and office costs, finance, personnel, professional fees and governance costs.

These costs have been allocated between cost of raising funds and expenditure on charitable activities on the basis of staff time and area of usage each project utilises within the Peel. The analysis of these costs is included in note 6

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

g) Tangible fixed assets

Individual items of equipment are capitalised at cost where the purchase price exceeds £250 and the asset have an expected useful life exceeding one year. The tangible fixed assets are depreciated over their estimated useful economic lives on a straight line basis. Depreciation costs are allocated to activities based on space utilisation (see note f above).

Depreciations are calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

Freehold property	2½ % pa straight line
Fixtures and fittings	33 ⅓ % pa straight line and 20% on reducing balance
Motor vehicles	33 ⅓ % pa straight line

h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Debtors receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

j) Cash at bank and in hand

Cash at bank and cash 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.

k) Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Creditors receivable within one year are recorded at transaction price

l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight- line basis over the period of the lease.

m) Pension

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable. All contributions come from unrestricted funds

n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

o) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

	2018	2017
	£	£
2 INCOME AND ENDOWMENTS		
Income resources including the following:		
Charitable activities		
Grants	166,417	137,184
Care Packages	-	26,838
Catering	4,624	2,174
Community Lettings	5,794	13,449
Pitch Income	81,054	-
Other	-	9,893
	<u>257,889</u>	<u>189,538</u>
Other trading activities		
Vending Machine Income	-	90
	<u>-</u>	<u>90</u>
Investments		
Income from quoted investments	<u>109,126</u>	<u>22,958</u>
	2018	2017
	£	£
3 OPERATING RESULT FOR THE YEAR		
The operating deficit is stated after charging:		
Depreciation	1,251	1,108
Audit fee	7,200	5,500
4 ANALYSIS OF EMPLOYEE NUMBER, STAFF REMUNERATION AND COST OF KEY MANAGEMENT PERSONNEL	2018	2017
	£	£
Staff costs were as follows:		
Wages and Salaries	174,035	176,158
Social Security costs	13,906	9,812
Pension costs	5,215	468
Seconded and temporary staff	<u>193,156</u>	<u>186,438</u>

The average number of employees of the Peel Institute included part time staff during the year was 8 (2017: 9.2).

The number of employees who received remuneration more than £60,000 in the year was 1 (2017:0).

The redundancy cost included in the salary cost above was £0 (2017: £23,917).

The key management personnel of The Peel comprises the trustees & the Chief Executive Officer and the Finance Manager. The total employee benefits of the key management personnel of the Peel were £107,841.24 (2017: £81,246.31).

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

5. DISCLOSURE OF TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

None of the charity trustees were paid or have received any other benefits from employment or expense reimbursement from The Peel in the year (2017:Nil) neither have they received payment for services supplied to the charity (2017:Nil)

6(a) ANALYSIS OF TOTAL EXPENDITURE	Staff costs £	Other £	Depreciation £	Total £
Raising Funds:				
Fundraising and publicity	136,812	16,634	-	153,446
Charitable expenditure				
Day centre	25,589	32,020	440	58,049
Youth club	13,147	570	138	13,855
Child care	17,608	6,114	189	23,911
Direct Action Project	-	71,004	346	71,350
Community development	-	113,997	139	114,136
	193,155	240,339	1,252	434,746

The total expenditure can be analysed as follows:

	2018 £	2017 £
Day Centre		
Salaries and pension contributions	25,589	28,031
Depreciation of fixtures, fittings and equipment	440	374
Depreciation of freehold building	-	-
Other	32,020	115,605
	58,049	144,010
Youth Club		
Salaries and pension contributions	13,147	4,742
Seconded and temporary staff	-	-
Depreciation of fixtures, fittings and equipment	138	139
Depreciation of freehold building	-	-
Other	570	31,187
	13,855	36,068
Childcare		
Salaries and pension contributions	17,608	46,577
Seconded and temporary staff	-	-
Depreciation of fixtures, fittings and equipment	189	111
Depreciation of freehold building	-	-
Other	6,114	28,329
	23,911	75,017

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

**6 (a) ANALYSIS OF TOTAL EXPENDITURE
continued**

	2018	2017
	£	£
Direct Action Project		
Salaries and pension contributions	-	-
Seconded and temporary staff	-	-
Depreciation of fixtures, fittings and equipment	346	-
Depreciation of freehold building	-	-
Other	71,004	-
	<u>71,350</u>	<u>-</u>
Community Development		
Salaries and pension contributions	-	3,241
Depreciation of fixtures, fittings and equipment	139	485
Depreciation of freehold building	-	-
Other	113,997	161,788
	<u>114,136</u>	<u>165,515</u>

6(a) ANALYSIS OF TOTAL EXPENDITURE (continued)

**The Governance cost charged to the Charitable activities
were as follows:**

	2018	2017
	£	£
Apportionment of salaries and pension	7,340	23,094
Legal and professional fees	7,200	5,500
Auditors remuneration	2,755	4,684
Bank charges and investment management fees	17,295	33,277

ANALYSIS OF SUPPORT COSTS

	Overheads	Total Support Cost
	£	£
Professional fees	33,659	33,659
Repairs & Maintenance	4,486	4,486
Office Costs	94,373	94,373
Insurance	4,433	4,433
Total	136,952	136,952

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

7 TANGIBLE ASSETS	Fixtures & fittings	Motor Vehicles	Total
	£	£	£
Cost			
1st April 2017	3,789	18,000	21,789
Additions	-	-	-
Disposals	-	-	-
31st March 2018	3,789	18,000	21,789
Depreciation			
1st April 2016	1,108	18,000	19,108
Charge for the period	1,251	-	1,251
On Disposals	-	-	-
31st March 2018	2,359	18,000	20,359
Net Book Value			
31st March 2018	1,430	-	1,430
31st March 2017	2,681	-	2,681

The net book value at 31st March 2018 represents fixed assets used for direct charitable purposes.

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

7a INVESTMENTS

	2018
	£
Additions	8,000,000
Disposals	-
Unrealised Losses	<u>(171,030)</u>
Closing Balance	<u>7,828,970</u>
Historical cost	8,000,000

8 DEBTORS

	2018	2017
	£	£
Trade Debtors	19,240	23,062
Less provision for doubtful debts	-	(18,956)
Prepayments and accrued income	1,181	1,101
	<u>20,421</u>	<u>5,207</u>

9 CREDITORS: amounts falling due within one year

	2018	2017
	£	£
Trade Creditors	4,539	16,698
Accruals	27,673	7,660
Other taxes and social security	5,094	2,979
Other Creditors	16,455	-
	<u>53,761</u>	<u>27,337</u>

10 UNRESTRICTED FUNDS

	At 1st April 2017	Income and net gains and losses	Expenditure	Transfers in/(out)	At 31st March 2018
	£	£	£		£
Designated Funds					
Income generation fund (1)	8,000,000	-	-	(214,839)	7,785,161
General Funds (2)	658,763	53,489	(268,328)	214,839	658,763
	At 1st April 2016	Income	Expenditure	Transfers in/(out)	At 31st March 2017
Prior Year Comparison					
Designated Funds					
Income generation fund (1)	8,780,525	-	-	(780,525)	8,000,000
General Funds (2)	165,000	78,793	(365,555)	780,525	658,763

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

10 UNRESTRICTED FUNDS (continued)

- (1) The income generation fund (Source: Next Steps for The Peel Institute Re Annual Report and Accounts 2018)

Funds	£
Endowment	4,435,161
Property	3,350,000

- (2) General funds have been set up to cover six months of operating expenditures and the cost of developing new programmes (Source: Next Steps for The Peel Institute Re Annual Report and Accounts 2018)

Funds	£
Programme Development	328,763
Reserves to cover 6 months costs	330,000

	At 1st April 2017	Income	Expenditure	At 31st March 2018
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11 RESTRICTED FUNDS

	£	£	£	£
Gifts in Kind, care packages and service agreements (1)	-	166,417	(166,417)	-
Restricted funds	-	166,417	(166,417)	-

	At 1st April 2016	Income	Expenditure	At 31st March 2017
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Prior Year Comparison

Gifts in Kind, care packages and service agreements (1)	-	164,022	(164,022)	-
Restricted funds	-	164,022	(164,022)	-

(1) The fund represents income from gifts in kind, grants and service level agreements and the relevant expenditure on there.

ANALYSIS OF NET ASSETS BETWEEN

12 FUNDS	2018	2017
	£	£
Fixed Assets	1,430	2,681
Investments	7,828,970	-
Net Current Assets	613,524	8,656,082
	<u>8,443,924</u>	<u>8,658,763</u>

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

13 OPERATING LEASE COMMITMENTS	2018	2017
Operating leases which expire:	£	£
Within 1 year	65,000	65,000
Two to five years	43,333	105,625

14 CAPITAL COMMITMENTS

There were no capital commitments at 31st March 2018 (2017:Nil).

15 RELATED PARTY TRANSACTIONS

The charity is not aware of any related party transactions taking place during the year which requires disclosure under the section 33 of the FRS102 (2017:nil)

16 CORPORATION TAX

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

17 FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial Assets	8,475,834	8,678,213
Financial asset at amortised cost	19,240	4,106
Financial liabilities at amortised cost	<u>(4,539)</u>	<u>(16,698)</u>

THE PEEL INSTITUTE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2018

18. Comparative SoFA	Unrestricted Funds £	Restricted Funds £	Total 2017 £
INCOME AND ENDOWMENT FROM			
:			
Donations and legacies	30,229	-	30,229
Other trading activities	90	-	90
Investments	22,958	-	22,958
Charitable activities	25,516	164,022	189,538
Total income and endowments	<u>78,793</u>	<u>164,022</u>	<u>242,815</u>
EXPENDITURES ON:			
Raising funds	108,969	-	108,969
Charitable activities:			
Day Centre	101,605	42,404	144,010
Youth club	34,767	1,300	36,068
Child care	62,476	12,540	75,017
Community Development	57,738	107,777	165,515
Total expenditure	<u>365,555</u>	<u>164,022</u>	<u>529,577</u>
Net gains(losses) on investments	-	-	-
NET (EXPENDITURES)	<u>(286,762)</u>	-	<u>(286,762)</u>
TRANSFERS BETWEEN FUNDS			
	-	-	-
NET MOVMENT IN FUNDS	-	-	(286,762)
RECONCILIATION OF FUNDS			
Total funds brought forward at 1st April	<u>8,945,525</u>	-	<u>8,945,525</u>
Total funds carried forward at 31st March	<u>8,658,763</u>	-	<u>8,658,763</u>