

Charity Registration No. 1097185

Company Registration No. 04610820 (England and Wales)

DENS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

DENS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Lindo, Chair I Tottman, Secretary G Albert J Balmer (Appointed 28 January 2018) M Eckert I Laidlaw-Dickson M Morgan E Pillinger M Warner
Charity number	1097185
Company number	04610820
Principal address	Bury Lodge 1 Queensway Hemel Hempstead Hertfordshire HP1 1HT
Auditor	Cansdales Chartered Accountants & Registered Auditors Bourbon Court Nightingales Corner Little Chalfont Buckinghamshire HP7 9QS
Bankers	Lloyds Bank PLC 198-200 The Marlowes Hemel Hempstead Hertfordshire HP1 1BH

DENS LIMITED

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DENS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their report and financial statements for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The main focus for the company is to establish and provide accommodation, day centre provision, support and advice for homeless people in Dacorum and those on the edge of homelessness; ensuring they receive the care, security and support to which they are entitled.

Objectives and activities are reviewed each year as part of the budget setting process. Activities and outcomes in the previous 12 months are evaluated. The review looks at the success of each major activity and the benefits they have brought to those groups of people DENS is set up to help. The review helps ensure we remain focused on our stated purposes.

Activities for achieving objectives

Throughout the year DENS operated a number of core services:

- The Elms Hostel: emergency and short term accommodation
- DENS Day Centre: providing food, personal care facilities, advice and support during the day.
- DENS Open Space: providing a community setting for those who otherwise would face social isolation and at risk of being homeless
- DENS Move On (formerly known as DRA): a transition service from the Elms to sustaining an own tenancy; supporting people to live more independently in the community for a period of up to 2 years
- DENS Equipped To Change: providing education, training, employability skills and volunteering opportunities
- DENS Enterprises: creating income
- DENS Foodbank

These services are supported by finance, human resources, administration, marketing and fundraising.

In setting its objectives and planning its activities the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

Achievements and performance

Through its activities DENS helps provide basic needs such as food, shelter and warmth to single homeless people and those on the edge of homelessness; as well as advice, support and transitioning planning so people will be able to live independently, secure and maintain a tenancy and be an active member of their community. All of DENS service users are either homeless, at risk of becoming homeless and/or are struggling at times of crisis.

In this financial year, DENS has supported over 430 people with housing related issues; including 187 people at the Elms who otherwise would be homeless and at risk of rough sleeping and 87 in Move On.

4066 people received a food parcel to support them through a crisis via the Foodbank. The Foodbank service reaches the wider community and supports many people on the poverty line in Dacorum, struggling to afford to buy food for themselves and their families. By offering an emergency food parcel, as well as signposting to relevant support services, it gives people the opportunity to get help at a crisis point.

DENS offer an educational programme for service users, covering basic life skills, tenancy sustainment and employment prospects. This helps empower homeless people to achieve permanent and positive changes in their lives, moving towards independent living. 50 individuals participated in this programme in 2017/18.

DENS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

In August 2017, we were awarded a grant for the Big Lottery fund to continue to run the Day Centre, as well as develop DENS Open Space. Open Space is a community-based setting for those individuals who do not require the crisis support offered by the Day Centre, in terms of a hot meal, shelter and showers, but still require company, advice and support; and without it would be at risk of social isolation, losing their tenancy and homelessness. We are incredibly grateful to the Big Lottery Fund for their continuing support of DENS.

Individuals, local businesses, schools, churches and other community groups have supported DENS over the last year through donations to the foodbank, donations of time, expertise and money, as well as organising and participating in fundraising events. DENS is incredibly thankful to all our supporters for their on going commitment to the organisation.

In 2017/18 DENS employed 41 staff and 120 volunteers. The contribution of volunteering hours is the equivalent of 32 full-time staff. DENS would not be able to have such a significant impact without the hard work and dedication of our volunteers. DENS is committed to providing volunteering opportunities for current service users and people who have previously used DENS services.

Factors relevant to achieving outcomes

There are three key factors to achieving the financial stability to fund the Trustees' objectives over the next 12 months.

They are:

- a) To achieve a 90% occupancy at the Elms.
- b) To minimize the voids and bad debts in the Move On properties
- c) To achieve the marketing and fundraising targets

We are most grateful to all our funders. The variety of organisations that give so generously to our activities is huge. The amounts vary from six figure sums to donations and sponsorships in single digits. All these donations make a significant difference and without them we could not provide the excellent service that makes a difference to so many people's lives.

Financial review

As at 31 March 2018, the total reserves of the charitable company stood at £178,410 (2017: £201,536). Of these £7,872 (2017: £20,841) related to restricted funds, leaving unrestricted funds of £170,538 (2017: £180,695).

The board have agreed a policy to aim towards maintaining the reserves at 3 months of essential expenditure. This will allow the charity to meet its obligations should it have to cease its operations or reduce its activities in an orderly way in the light of significant budget cuts. This means the required level of free reserves is £390,000.

The reserves fell short of this target at 31 March 2018, however the Board is confident that reserves will increase over the next 2 years. A key element of DENS' 5 year strategy is financial sustainability and an increase to unrestricted income.

DENS' funding comes from a variety of sources, including but not exclusively housing benefits for those within in our accommodation services, grant from Herts County Council, grants from the Big Lottery Fund and other trust making bodies, fundraising events and donations from businesses, community groups, churches and individuals.

Principle grants in this financial year were Herts County Council (£211,387) for contributions towards both the Elms and Move On, Big Lottery Fund (£132,344) for contributions towards the Day Centre and ETC and Garfield Weston (£30,000 over three years) for contributions towards the Day Centre.

The community of Dacorum continue to be incredibly generous in their support of DENS, with £52,431 being received through individual donations, £30,172 from businesses and just over £20,000 from local schools and churches.

DENS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Food is donated to the Foodbank and is then distributed to families and individuals in need. The value of this donated food added a notional £84.5k income. The valuation of food is made using the recommended Trussell Trust food valuation of £1.68/kg.

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

Following the deficit in the year, going concern is one of the main risks facing the charity. The current reserves of the charity are below the reserves policy set. However, this is being monitored by the trustees and the CEO and the 5 year strategy should improve the position in both the short and long term.

Plans for future periods

In the Spring of 2018, DENS' Board signed off their new 5 year strategy. The Strategy was developed in collaboration with DENS' staff and stakeholders, taking into account external factors in regard to changes in government legislation relating to homeless people and welfare; as well as building on our learning and experience of providing support to vulnerable and socially excluded adults.

DENS' aim is:

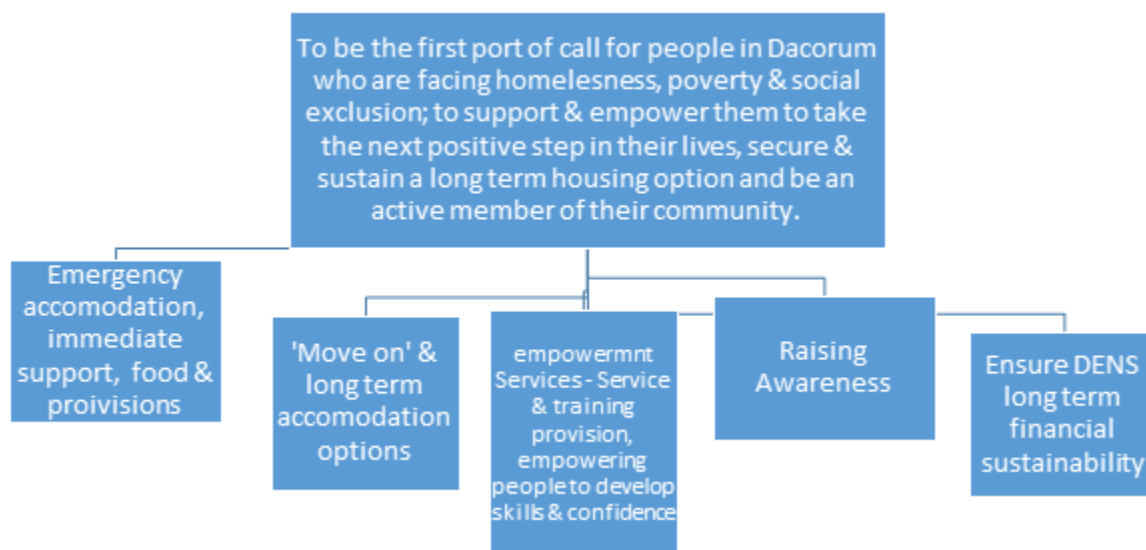
'to be the first port of call for people in Dacorum who are facing homelessness, poverty and social exclusion; to support and empower them to take the next positive step in their lives, secure and sustain a long term housing option and be an active member of their community.'

We will do this by:

- Ensuring individuals and families have access to emergency food and provisions; and individuals have access to emergency accommodation
- Providing a range of accommodation options to support people to move on and long term, sustain their own tenancy
- Providing a range of services, including advice services & training provision, empowering people to develop skills and confidence to take the next step in their lives

To do this we will need to:

- Ensure DENS' long term financial viability, through diversification of income
- Increase public understanding and support of DENS and the issues facing the people we support



DENS' management team are responsible for implementation of the new strategy. The Board will review the implementation on a bi-annual basis.

DENS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Structure, governance and management

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

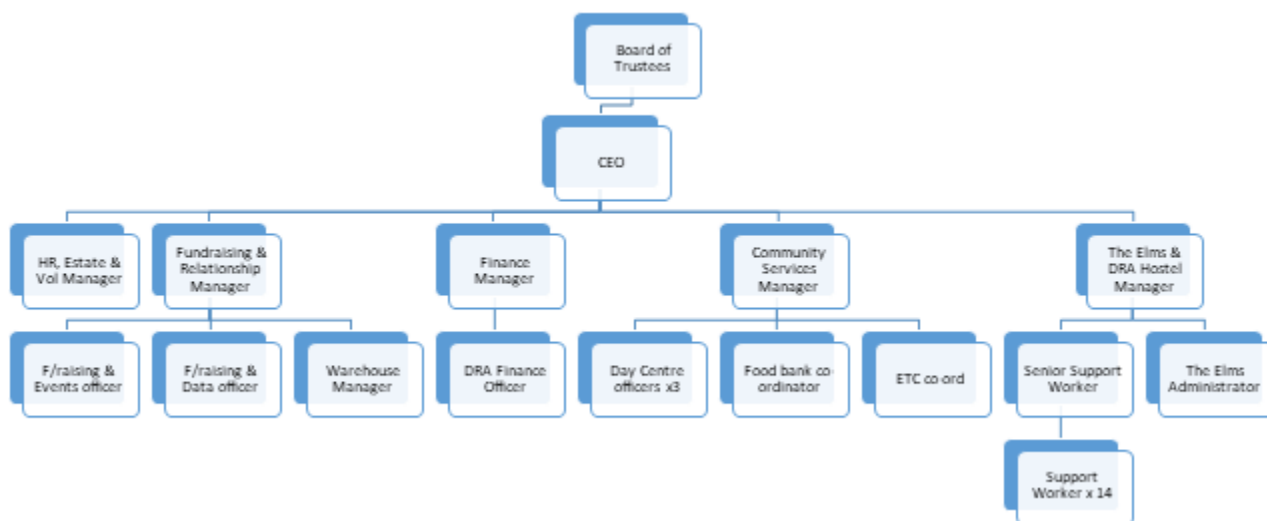
- M Lindo, Chair
- I Tottman, Secretary
- G Albert
- J Balmer (Appointed 28 January 2018)
- M Eckert
- I Laidlaw-Dickson
- M Morgan
- E Pillinger
- M Warner

DENS has been in a position where we have not had to advertise for trustees, with interested applicants approaching DENS. When an interested party does contact DENS, they are asked to submit a CV, along with covering letter. This is then reviewed by the Chairman and CEO. If considered suitable, they will then be invited to attend an interview with the Chairman and CEO. The third stage is the applicant will attend a Board meeting to observe and meet other trustees, after which a vote is taken by the board. New Trustees undertake an induction, which includes visiting all services.

DENS' board of trustees meets a minimum of 5 times a year and is responsible for the strategic direction and policy of the charity.

The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The manager of each of the services has responsibility for the day to day operational management of their area and individual supervision of the staff and volunteer team.

There is a continuing programme across the organisation to develop skills and working practices in line with good practice.



DENS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Remuneration policy

In 2017/18 DENS completed a job evaluation of all roles and a salary review to establish a salary structure based on the following principles:

- DENS is a charity and balances its responsibility to reward staff fairly with the need to use funds responsibly and prudently for the benefit of tenants and beneficiaries.
- DENS wishes to attract local talent at a competitive but fair rate.
- All pay decisions must be taken with a view of affordability and sustainability.
- All post holders are recruited to the ideal median salary for their role – this means that there is no pay progression associated with length of service and there is no performance related pay. Apart from Cost of Living increases, in order to increase salary the post-holder must be either promoted or there must be a significant change to the current position.
- Each post at DENS will be graded through a Job Evaluation system that is applied fairly and objectively to all posts to measure their relative size in the organisation. The grading will determine where the post is positioned within the pay structure.
- DENS will use external benchmarking data to ensure staff salaries remain competitive with the wider employment market. This benchmarking will inform the salaries within the pay ladder structure but staff remuneration will ultimately be governed by affordability for DENS.

The agreed pay structure is used for setting pay and remuneration for all staff.

Statement of trustees' responsibilities

The trustees, who are also the directors of DENS Limited for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DENS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

M Lindo, Chair

Trustee

Dated: 5 December 2018

DENS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DENS LIMITED

Opinion

We have audited the financial statements of DENS Limited (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 its incoming resources and application of resources, 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.

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 charity'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.

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 auditor's 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.

DENS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DENS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes 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 directors' report included within 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 the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

DENS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DENS LIMITED

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during 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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr James Foskett (Senior Statutory Auditor)
for and on behalf of Cansdales

10 December 2018

Bourbon Court
Nightingales Corner
Little Chalfont
Bucks, HP7 9QS

DENS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted funds	Restricted funds	Total 2018	Restated Total 2017
	Notes	£	£	£	£
Income from:					
Donations and legacies	2	143,295	5,830	149,125	146,646
Charitable activities	3	1,003,296	-	1,003,296	1,017,649
Other trading activities	4	78,124	-	78,124	77,920
Investments	5	9	-	9	16
Grants	6	14,600	499,390	513,990	532,849
Total income		1,239,324	505,220	1,744,544	1,775,080
Expenditure on:					
Raising funds	7	111,550	1,310	112,860	103,188
Charitable activities	8, 9	1,137,931	516,879	1,654,810	1,674,582
Total expenditure		1,249,481	518,189	1,767,670	1,777,770
Net expenditure for the year/ Net movement in funds		(10,157)	(12,969)	(23,126)	(2,690)
Fund balances at 1 April 2017		180,695	20,841	201,536	204,226
Fund balances at 31 March 2018		170,538	7,872	178,410	201,536

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DENS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	Restated 2017 £	£
Fixed assets					
Tangible assets	12		11,231		28,031
Current assets					
Debtors	13	26,452		45,399	
Cash at bank and in hand		342,284		260,208	
		<u>368,736</u>		<u>305,607</u>	
Creditors: amounts falling due within one year	14	<u>(201,557)</u>		<u>(132,102)</u>	
Net current assets			167,179		173,505
Total assets less current liabilities			<u>178,410</u>		<u>201,536</u>
Income funds					
Restricted funds	16		7,872		20,841
Unrestricted funds			170,538		180,695
			<u>178,410</u>		<u>201,536</u>

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

The financial statements were approved by the Trustees on 5 December 2018

M Lindo, Chair
Trustee

Company Registration No. 04610820

DENS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	Restated 2017 £	£
Cash flows from operating activities					
Cash generated from operations	21		83,405		31,906
Investing activities					
Purchase of tangible fixed assets		(1,338)		(15,215)	
Interest received		9		16	
Net cash used in investing activities			(1,329)		(15,199)
Financing activities					
Repayment of borrowings		-		(1,000)	
Net cash used in financing activities			-		(1,000)
Net increase in cash and cash equivalents			82,076		15,707
Cash and cash equivalents at beginning of year			260,208		244,501
Cash and cash equivalents at end of year			342,284		260,208

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Charity information

DENS Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bury Lodge, 1 Queensway, Hemel Hempstead, Hertfordshire, HP1 1HT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.5 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Property refurbishment	3 years straight line basis
Fixtures and fittings	3 years straight line basis
Computers	3 years straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 Stocks

Purchased stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Donated goods are valued only when distributed and therefore stocks of donated goods are not shown as having any value for accounting purposes.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2018	2018	2018	2017
	£	£	£	£
Donations and gifts	143,295	5,830	149,125	146,646
	<u>136,404</u>	<u>10,242</u>		<u>146,646</u>
For the year ended 31 March 2017				
	<u>136,404</u>	<u>10,242</u>		<u>146,646</u>
Donations and gifts				
Individual donations	51,221	1,210	52,431	49,969
Business donations	25,552	4,620	30,172	31,220
Charity donations	250	-	250	-
Church donations	17,775	-	17,775	16,169
School donations	2,553	-	2,553	2,978
Memberships	245	-	245	555
Gift aid	2,410	-	2,410	3,743
Events income	43,289	-	43,289	42,012
	<u>143,295</u>	<u>5,830</u>	<u>149,125</u>	<u>146,646</u>

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

3 Charitable activities

	2018	2017
	£	£
Move On and The Elms	949,123	965,959
Personal contributions	54,173	51,690
	<u>1,003,296</u>	<u>1,017,649</u>

4 Other trading activities

	2018	2017
	£	£
Rental income	29,868	33,771
Warehouse income	34,042	26,877
Landlord commission	10,889	13,441
Laundry money	1,170	624
Other income	2,155	3,207
	<u>78,124</u>	<u>77,920</u>

5 Investments

	Unrestricted funds	Total
	2018	2017
	£	£
Interest receivable	9	16
	<u>9</u>	<u>16</u>

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

6 Grants

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Big Lottery Fund	-	132,334	132,334	151,096
Herts County Council Accommodation Solutions	-	211,387	211,387	237,247
Food donations	-	84,537	84,537	83,145
Tesco 'Top Up' grants	-	7,537	7,537	3,945
Other grants	14,600	63,595	78,195	57,416
	<u>14,600</u>	<u>499,390</u>	<u>513,990</u>	<u>532,849</u>
For the year ended 31 March 2017	<u>100,145</u>	<u>432,704</u>		<u>532,849</u>

7 Raising funds

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
<u>Fundraising and publicity</u>				
Other fundraising costs	38,239	1,310	39,549	29,639
Wages and salaries	73,311	-	73,311	73,263
Depreciation and impairment	-	-	-	286
	<u>111,550</u>	<u>1,310</u>	<u>112,860</u>	<u>103,188</u>
	<u>111,550</u>	<u>1,310</u>	<u>112,860</u>	<u>103,188</u>
For the year ended 31 March 2017				
Fundraising and publicity	<u>101,888</u>	<u>1,300</u>		<u>103,188</u>

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Charitable activities

	Day Centre	Move On & property	Foodbank	Warehouse	ETE	The ELMS	Enterprise	Total 2018	Restated Total 2017
	£	£	£	£	£	£	£	£	£
Wages and salaries	104,931	129,943	18,336	21,692	24,719	352,876	-	652,497	597,026
Depreciation and impairment	-	167	37	-	-	17,934	-	18,138	14,418
Premises costs	4,513	54,588	2,396	1,985	102	175,701	-	239,285	235,222
Rent and rates	5,580	308,723	-	23	-	1,026	-	315,352	355,147
Office	6,012	9,460	1,976	1,427	3,881	16,643	-	39,399	46,280
Foodbank distribution	-	-	84,537	-	-	-	-	84,537	83,145
Insurance	54	688	-	1,913	-	-	-	2,655	2,721
Staff costs	556	4,407	183	573	718	12,076	-	18,513	33,496
Other costs	4,873	2,250	1,297	5,785	5,010	17,379	-	36,594	34,472
Catering (ELMS)	-	-	-	-	-	7,649	-	7,649	35,351
	<u>126,519</u>	<u>510,226</u>	<u>108,762</u>	<u>33,398</u>	<u>34,430</u>	<u>601,284</u>	<u>-</u>	<u>1,414,619</u>	<u>1,437,278</u>
For the year ended 31 March 2017	<u>121,542</u>	<u>500,695</u>	<u>119,472</u>	<u>35,629</u>	<u>41,516</u>	<u>594,595</u>	<u>23,829</u>		<u>1,437,278</u>

For 2018, charitable activities (above) and support costs (note 9) totalled £1,698,107 (2017: £1,674,582). Of this, £1,181,228 (2017: £1,252,477) related to unrestricted expenditure and £516,879 (2017: £422,105) related to restricted expenditure.

As at 31 March 2018, the trustees decided to no longer show the items held at the Foodbank as stock in the financial statements as the food cannot be sold. It was decided that it would now be shown as a Gift In Kind as income and expenditure in the period it is received. Adjustments have therefore been made to restate the balances from the previous year.

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Support costs	2018	2017
	£	£
Wages and salaries	161,838	175,401
Depreciation	-	2,542
Rent and rates	44	71
Premises costs	17,508	7,395
Office	23,743	28,460
Insurance	18,168	13,710
Staff costs	4,224	5,793
Other costs	14,666	3,632
Foodbank distribution	-	300
	<u>240,191</u>	<u>237,304</u>

£7,500 (2017: £7,440) is included within the table above in respect of auditors remuneration for the performance of the audit. Also included above is £1,500 (2017: £nil) in respect of auditors remuneration for non audit services.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2017: £nil).

None of the trustees (or any persons connected with them) received any reimbursement of expenses from the charity during the year (2017: £nil).

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2018	2017
	Number	Number
Average employee numbers	41	42
	<u> </u>	<u> </u>

Employment costs

	2018	2017
	£	£
Wages and salaries	767,736	778,941
Social security costs	63,655	57,960
Other pension costs	9,008	8,789
	<u> </u>	<u> </u>
	<u>840,399</u>	<u>845,690</u>

The key management personnel of the charity comprises one member of staff (2017: 3). The total employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £61,379 (2017: £121,099).

The number of employees whose annual remuneration was £60,000 or more were:

	2018	2017
	Number	Number
£60,000 - £69,999	1	-
	<u> </u>	<u> </u>

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Tangible fixed assets

	Property refurbishment	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 April 2017	53,761	137,551	21,273	212,585
Additions	1,338	-	-	1,338
At 31 March 2018	55,099	137,551	21,273	213,923
Depreciation and impairment				
At 1 April 2017	41,832	125,659	17,063	184,554
Depreciation charged in the year	4,127	10,304	3,707	18,138
At 31 March 2018	45,959	135,963	20,770	202,692
Carrying amount				
At 31 March 2018	9,140	1,588	503	11,231
At 31 March 2017	11,929	11,892	4,210	28,031

13 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	4,617	13,675
Other debtors	593	11,273
Prepayments and accrued income	21,242	20,451
	26,452	45,399

14 Creditors: amounts falling due within one year

	Notes	2018	2017
		£	£
Other taxation and social security		16,302	14,673
Deferred income	15	49,950	18,115
Trade creditors		64,495	62,762
Other creditors		1,000	-
Accruals and deferred income		69,810	36,552
		201,557	132,102

Within accruals and deferred income is deferred income totalling £49,950 (2017: £18,115) which relates to income received during the 2017/18 year for projects which are due to take place in 2018/19.

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

15 Deferred income

	2018	2017
	£	£
Arising from grant income	49,950	18,115
	<u>49,950</u>	<u>18,115</u>

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2017	Movement in funds		Balance at 31 March 2018
		Income	Expenditure	
	£	£	£	£
HCC Accomodation Solutions	-	211,387	(211,387)	-
Day Centre: Big Lottery Fund	-	74,075	(74,075)	-
Day Centre	12,264	26,111	(38,375)	-
Move On & Property	-	20,800	(20,800)	-
Foodbank	-	97,574	(97,574)	-
The Elms	-	4,304	(4,304)	-
ETC: Big Lottery Fund	8,577	51,659	(52,364)	7,872
Fundraising	-	1,310	(1,310)	-
Volunteers	-	6,180	(6,180)	-
Warehouse	-	11,820	(11,820)	-
	<u>20,841</u>	<u>505,220</u>	<u>(518,189)</u>	<u>7,872</u>
	<u><u>20,841</u></u>	<u><u>505,220</u></u>	<u><u>(518,189)</u></u>	<u><u>7,872</u></u>

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

16 Restricted funds

(Continued)

The HCC Accommodation Services fund relates to grants received from Herts County Council towards supported accommodation at the Elms and floating support to DENS Move On.

The Day Centre: Big Lottery Fund relates to income received from the Big Lottery Fund to cover salaries and running costs of the Day Centre.

The Day Centre fund relates to grant income received from Garfield Weston towards the salary costs of the Day Centre.

The Move On & Property fund relates to income received which goes towards the renovation and maintenance of properties.

The Foodbank fund relates to donations received to cover salaries and running costs of the Foodbank. The income of £97,574 is made up of food donations with a cash equivalent of £84,539, cash donation via Tesco Top-Up Scheme of £7,537 and other restricted donations of £5,498.

The Elms fund relates to income and gifts received towards the general running costs of the Elms.

The ETC: Big Lottery Fund relates to income received from the Big Lottery Fund to cover salaries and running costs of the Equipped to Change (ETC) project.

The Fundraising fund relates to income received to cover salaries and running costs of the Fundraising and Marketing department.

The Volunteers fund relates to income received as a contribution towards the cost of the Volunteer Coordinator's salary.

The Warehouse fund relates to contributions received towards the overall running costs and salary of the Warehouse Coordinator and towards the up-cycling of furniture.

17 Analysis of net assets between funds

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
Fund balances at 31 March 2018 are represented by:				
Tangible assets	11,231	-	11,231	28,031
Current assets/(liabilities)	159,307	7,872	167,179	173,505
	<u>170,538</u>	<u>7,872</u>	<u>178,410</u>	<u>201,536</u>

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	22,290	712
Between two and five years	13,809	2,135

DENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

18	Operating lease commitments		(Continued)
		<u>36,099</u>	<u>2,847</u>
19	Related party transactions		
	There were no disclosable related party transactions during the year (2017 - none).		
20	Change in Accounting Policy		
	In previous years food donated to Dens Limited was treated as stock with the estimated monetary value at the year end shown as closing stock. During the year the trustees reviewed this policy, and due to the nature of the food donations and as they are distributed to beneficiaries free of charge, the trustees believe it would be more appropriate to include the food donations as gifts in kind. This treatment has been adopted for the year ended 31 March 2018, and the comparative figures for the year ended 31 March 2017 have been amended. The original 2017 balance sheet showed Net Assets of £244,833 which included closing stock of £43,297: this has been reallocated as a gift in kind and the statement of financial activities and the balance sheet have been restated accordingly.		
21	Cash generated from operations	2018	2017
		£	£
	Deficit for the year	(23,126)	(2,690)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(9)	(16)
	Depreciation and impairment of tangible fixed assets	18,138	16,057
	Movements in working capital:		
	Decrease/(increase) in debtors	18,947	(9,112)
	Increase in creditors	37,620	9,552
	Increase in deferred income	31,835	18,115
	Cash generated from operations	<u>83,405</u>	<u>31,906</u>
