

Charity Registration No. 1157932

Company Registration No. 08576383 (England and Wales)

ELEMENT SOCIETY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



ELEMENT SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr I A Balshaw Ms M Bougara Mr B Duong Mr J G W Rigby Let There Be Light Productions Limited Mr J Parkinson Mr N Hogson	(Appointed 14 May 2015) (Appointed 1 June 2015) (Appointed 1 January 2016) (Resigned 19 June 2015)
Secretary	Mr C Hill Element Enterprises Ltd	(Appointed 1 January 2016)
Charity number	1157932	
Company number	08576383	
Registered office	113 Arundel Street Sheffield S1 2NT	
Independent examiner	Knowles Warwick Limited 183 Fraser Road Sheffield S8 0JP	
Bankers	NatWest 42 High Street Sheffield S1 2GE	

ELEMENT SOCIETY

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ELEMENT SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees presents it's report and accounts for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's articles of association, 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) (effective 1 January 2015)"

Objectives and activities

Element Society believes in people and their ability to do unbelievable things. We work within ethical guidelines on projects that will change the world, but we aim to do this differently.

Our methods are to disrupt current thinking, pool expertise from all disciplines and draw from a wealth of cross-sector experience to have a genuine positive impact on the world. This means bringing enterprise thinking to all our work. We achieve our targets, provide quality client service and always push forward to pioneer new ground. There is no standing still for us, no resting on our laurels, no taking our position as deserved instead of achieved.

Our projects are carefully selected based on a belief and understanding that they can make an achievable difference. We are undeterred by working in different sectors and know that with the right tools we can achieve success for any project that we truly believe in.

Element Society's objective is the advancement in life of young people by providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.

The trustees can confirm that to the best of their knowledge and capacity, they have complied with their duty to provide identifiable and tangible benefits for the public as a result of the charities program of work. The trustees have referred to guidance from the Charity commission when reviewing aims and objectives and in planning future activities.

The Charity has achieved tangible public benefits in the furtherance of its objectives with over 450 young people (aged 16 – 24) taking part or supporting our main programmes of delivery. Participants were drawn from within South Yorkshire.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

ELEMENT SOCIETY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2015

Achievements and performance

NCS

Element Society is currently a sub-contracted local delivery partner of Groundwork Sheffield in the YH1 region of NCS. We have responsibility for delivering all of Groundwork Sheffield's allocated numbers, which was 410 in 2015 and over-delivered by 75 places. We anticipate that we will deliver potentially 500 places in 2016

Phase	Description
1 – Marketing, Recruitment & Engagement	During this phase our role is to market the NCS programme and sign up young people and keep them engaged prior to the first residential week. Element Society keeps in regular contact to ensure that they continue to phase two.
2 – Away Residential	We then take cohorts (teams of 15) on a full time residential week that is at least one hour's travel from the young persons home community. The focus of this phase is on teamwork and challenge (predominantly physical) that pushes the young people out of their comfort zones, thereby facilitating personal and social development and the development of team and leadership skills. We provide the staff that supervise the trip and the team leaders and assistants that will remain with the team through the duration of the programme. The individual residential centres provide the expert supervision for the activities held during the week.
3 – Home Residential	<p>The following week is a full time residential week based within one hour's travel of young persons places of residence. This phase focuses on developing new skills and gaining an increased understanding of their local community. The core elements consist of:</p> <ul style="list-style-type: none"> • Developing skills in various areas, • Building networks to gain an understanding of local organisations and residents, • Personal and social development through guided reflection activities. <p>Our approach has been to use University Halls of Residence as the residential location as part of a life skills element to the programme. We bring in additional specialised tutors to deliver sessions throughout the week (for example Self Defence or Presentation Skills) along with bringing local community group or charity representatives in to give a talk and run a session about what they do. Additional session work is delivered by our own staff through guided reflection or NCS provided modules and we aim to get a local MP to attend a session to discuss voting and host a political Q&A session. In the summer we will have David Blunkett attending one of our sessions.</p>
4 – Social Action Planning	<p>The next phase of delivery is 30 hours of activity over 4 or 5 consecutive days with the young people residing at home. During this phase the teams will design a Social Action Project in consultation with the intended beneficiaries. The project must seek to:</p> <ul style="list-style-type: none"> • Support the core aims of NCS (a more engaged, responsible and cohesive society), • Involve people from the community and deliver a tangible benefit, and • Create opportunities for social and/or intergenerational mixing. <p>Element Society hosts the teams at its offices in Sheffield along with utilising space through a new partnership with Sheffield Hallam University for this phase and provides additional community/project mentoring along with the support provided by the team leaders and assistants. During this phase a Dragon's Den is held where each team has to pitch its social action project to a team of Dragons (local VCFS/ business people) who will provide advice and guidance about the idea and have the ability to approve a mini-grant to enable the team to cover the costs of delivering the project.</p>

ELEMENT SOCIETY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2015

5 – Social Action Project Delivery	A further 30 hour's of activity to deliver the Social Action Project that was development and planned out in the previous phase. The teams are expected and encouraged to be as independent as possible for this stage so the support we provide is relatively light touch to allow the teams to take centre stage with the people/communities that they are supporting with their project.
Graduation Event	The programme culminates in a large celebration and graduation event for participants and their guests. It is aimed at celebrating a young persons rite of passage along with highlighting the outcomes of their Social Action Projects and any other achievements. Element Society arranges the whole event and runs it on the day to ensure that all the young people enjoy the experience and can share it with their friends and family

In addition to the main programme we have developed a scheme where we continue working with NCS participants after they have graduated from the programme. We have been able to offer a number of roles for interested participants to do the following:

- Volunteer on NCS recruitment activities
- Be an Assistant to a team during a future delivery period
- Involved in arranging "Keep in Touch" Events
- Planning and supporting the delivery of the Graduation
- Paid office work supporting the programme
- Paid Referral scheme
- Work Experience schemes
- Volunteer opportunities with our partner organisations
- Continued Social Action

Talent Match – Enterprise Week

As a sub-contractor to Groundwork Sheffield we provide an Enterprise Week for participants on the National Lottery funded Talent Match programme. This was our first new programme away from NCS and involved working with young people aged 18-24 who were long term unemployed. Our pilot delivery took place in early December 2014 and consisted of the following:

- A 3 day/2 night residential to act as team building and confidence building exercise
- Evening enterprise workshops whilst on residential specifically aimed at getting the participants to think creatively
- A 2 day Market stall challenge whereby the participants had to choose what they were selling, agree pricing, dress their stalls, and get out and sell to the passing Christmas trade within the Moor Market in Sheffield.

Cookbook

Element Society were commissioned by Groundwork Sheffield to develop a Community Cookbook of multi-cultural recipes. The commission had a value of £10,000. The book was created by young people under our guidance. The recipes were gathered from the local community and a small booklet produced. The book contained recipes that are easy to prepare using affordable produce and ingredients from local shops.

Cinema

We secured a grant of £2000 from Sheffield Town Trust to develop the Long Room (one of the rooms in our offices) as a cinema. We secured the appropriate licensing and the appropriate screen and projector. We now show films periodically to homeless people in Sheffield working in partnership with Roundabout, a charity that works with homeless people. To date we have shown 9 films to approximately 60 people. It gives us the chance to show a modern film in relative comfort and warmth to people that otherwise would be unable to enjoy these simple pleasures. Our neighbouring restaurant has also generously prepared food that we were able to offer to our guests. The films were provided by Love Films as an in-kind gift and we currently have a library of 53 films available for viewing.

ELEMENT SOCIETY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2015

In 2015, we achieved the following outputs:

- 410 young people actively participated on our schemes
- 48 young people actively supported the delivery of our programmes on a voluntary basis
- Through our social action projects we achieved a total number of 3,020 volunteer days
- 40 young people have progressed from our programmes into working or volunteering for Element Society
- 18 individual social action projects have been delivered within the NCS programme and to date 6 continue to be delivered for upto 18 months after their programme finished

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

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.

Structure, governance and management

The charity is constituted as a company limited by guarantee and is governed by its articles of association.

The members of the trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr I A Balshaw	
Ms M Bougara	
Mr B Duong	(Appointed 14 May 2015)
Mr J G W Rigby	(Appointed 1 June 2015)
Let There Be Light Productions Limited	
Mr N Hogson	(Resigned 19 June 2015)
Mr J Parkinson	(Appointed 1 January 2016)
Mr N Hogson	(Resigned 15 June 2015)

The directors of the company are its trustees for the purposes of charity law and are appointed by the company's members. There is a minimum of 3 directors at any one time.

The board shall admit to membership such persons as it shall think fit and the Board may from time to time, by resolution, prescribe (and vary) criteria for membership. Nominations of directors shall be for a fixed or indeterminate period provided however that no such fixed period shall exceed three years and any indeterminate appointment shall automatically lapse at the end of the three years but so that the nominated Board director shall be eligible for re-nomination.

New trustees attend a series of meetings with the executive team and attend their initial board meeting as an observer as part of their induction to the work of the charity. Formal governance training is delivered internally using charity commission guidance, though we are continually reviewing how to enhance this process.

None of the members of the trustees has any beneficial interest in the company. All of the members of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

ELEMENT SOCIETY

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

FOR THE YEAR ENDED 31 DECEMBER 2015

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

The day-to-day management of the charity is provided by Element Enterprises Limited whereby Christopher Hill fulfils the role of Chief Executive. The senior management team supports the Board of Trustees through its delegated powers.

Employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Disabled persons

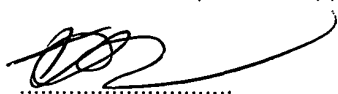
The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Issues with the preparation of the accounts

The charity's record keeping and subsequent compilation of the financial statements was carried out by a previous trustee who has now resigned. Upon leaving Element Society, this trustee kept the documentation for the current period, resulting in a qualified opinion on our Independent Examination due to a lack of evidence.

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



.....
Mr I A Balshaw

Trustee

Dated: 26/10/16.....

ELEMENT SOCIETY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ELEMENT SOCIETY

I report on the accounts of the charity for the year ended 31 December 2015, which are set out on pages 8 to 20.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of Element Society for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's qualified statement

The trustees have prepared income and expenditure accounts on an accruals basis showing expenses of £220,678, however only partial records were available to identify the allocation of expenses to each individual fund. The only written records retained are spreadsheets documenting the expenditure for the year and bank statements. No receipts or invoices have been provided as evidence for the itemised expenditure. Cash expenditure for the first half of the year was analysed by the trustees, with no records for the latter half, resulting in £9,250 of unknown expenditure.

The charity received income for the year of £241,721, which has been assigned to the relevant project for which it was received. Limited records have been kept relating to the nature of these funds, nor have the trustees provided contracts or payment profiles. Invoices for each individual receipt have been reviewed, however these refer to the bid payment profiles which could not be reviewed.

In connection with my examination, no other matter except those referred to in the previous paragraphs has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

ELEMENT SOCIETY

INDEPENDENT EXAMINER'S REPORT (CONTINUED) TO THE TRUSTEES OF ELEMENT SOCIETY



S D Knowles FCA
Independent Examiner, for and on behalf of Knowles Warwick Limited
Chartered Accountants
183 Fraser Road
Sheffield
S8 0JP

Dated: 28 October 2016

ELEMENT SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<u>Income from:</u>					
Donations and legacies	3	-	2,898	2,898	543
Charitable activities	4	218,005	19,568	237,573	111,802
Other trading activities	5	1,250	-	1,250	3,762
Total income		219,255	22,466	241,721	116,107
<u>Expenditure on:</u>					
Raising funds		1,250	-	1,250	-
Charitable activities	6	196,962	21,025	217,987	109,934
Other	11	-	1,441	1,441	3,000
Total resources expended		198,212	22,466	220,678	112,934
Net income for the year/ Net movement in funds		21,043	-	21,043	3,173
Fund balances at 1 January 2015		3,400	-	3,400	227
Fund balances at 31 December 2015		24,443	-	24,443	3,400

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

ELEMENT SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2015

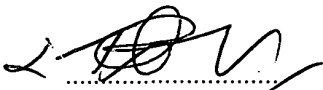
	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	12		6,594		4,291
Current assets					
Debtors	13	23,048		15,807	
Cash at bank and in hand		33,427		2,495	
		<u>56,475</u>		<u>18,302</u>	
Creditors: amounts falling due within one year	14	<u>(38,626)</u>		<u>(19,193)</u>	
Net current assets/(liabilities)			17,849		(891)
Total assets less current liabilities			<u>24,443</u>		<u>3,400</u>
Income funds					
Unrestricted funds			24,443		3,400
			<u>24,443</u>		<u>3,400</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2015. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

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

The accounts were approved by the Trustees on 26/10/16.....



Mr I A Balshaw
Trustee

Company Registration No. 08576383

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Element Society is a private company limited by guarantee incorporated in England and Wales. The registered office is 113 Arundel Street, Sheffield, S1 2NT.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2015 are the first accounts of Element Society prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken advantage of the exemption in FRS 102 from producing a cash flow on the grounds that it has gross turnover under £500,000.

1.2 Going concern

At the time of approving the accounts, the trustees has 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 accounts.

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 accounts.

1.4 Incoming resources

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.

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

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.

1.5 Resources expended

All expenditure is accounted for on an accruals basis, including irrecoverable VAT, and has been listed under headings that aggregate all the costs related to that activity.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expense headings on the basis of the time spent.

Governance costs are those in connection with the management of the charity, organisational administration and compliance with the constitutional and statutory requirements.

Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

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:

Fixtures, fittings & equipment	20% straight line
Computers	33.3% straight line

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 and intangible 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).

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 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.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

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.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2015	2014
	£	£
Donations and gifts	1,457	543
Non-government grants	9,999	-
Less: deferred income	(8,558)	-
	<u>2,898</u>	<u>543</u>

During the year the charity received £9,999 from the National Lottery for the purposes of refurbishment of the Studio. Of this income £8,558 has been deferred to next year when the remaining costs of refurbishment will be incurred.

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

4 Charitable activities

	National Citizens Service (NCS)	Talent Match	Enterprising Communities	Cinema	Total 2015	Total 2014
	£	£	£	£	£	£
Services provided under contract	183,738	27,163	-	-	210,901	119,252
Performance related grants	15,298	-	6,349	2,000	23,647	-
Less: deferred income	7,450	-	(3,175)	(1,250)	3,025	(7,450)
	<u>206,486</u>	<u>27,163</u>	<u>3,174</u>	<u>750</u>	<u>237,573</u>	<u>111,802</u>
Analysis by fund						
Unrestricted funds	190,842	27,163	-	-	218,005	
Restricted funds	15,644	-	3,174	750	19,568	
	<u>206,486</u>	<u>27,163</u>	<u>3,174</u>	<u>750</u>	<u>237,573</u>	
For the year ended 31 December 2014						
Restricted funds	<u>102,762</u>	<u>9,040</u>	<u>-</u>	<u>-</u>		<u>111,802</u>

5 Other trading activities

	2015	2014
	£	£
Letting and licensing arrangements	<u>1,250</u>	<u>3,762</u>

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Charitable activities

	National Citizens Service (NCS)	Talent Match	Enterprising Communities	Cinema	Total 2015	Total 2014
	£	£	£	£	£	£
Staff costs	62,399	-	-	-	62,399	48,040
Direct costs	53,194	19,736	3,174	750	76,854	24,563
	<u>115,593</u>	<u>19,736</u>	<u>3,174</u>	<u>750</u>	<u>139,253</u>	<u>72,603</u>
Share of support costs (see note 7)	32,355	7,427	-	-	39,782	28,331
Share of governance costs (see note 7)	38,952	-	-	-	38,952	9,000
	<u>186,900</u>	<u>27,163</u>	<u>3,174</u>	<u>750</u>	<u>217,987</u>	<u>109,934</u>
Analysis by fund						
Unrestricted funds	169,799	27,163	-	-	196,962	
Restricted funds	17,101	-	3,174	750	21,025	
	<u>186,900</u>	<u>27,163</u>	<u>3,174</u>	<u>750</u>	<u>217,987</u>	
For the year ended 31 December 2014						
Restricted funds	102,190	7,744	-	-		109,934
	<u>102,190</u>	<u>7,744</u>	<u>-</u>	<u>-</u>		<u>109,934</u>

Support costs have been allocated to activities on a basis consistent with the use of the resources.

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

7 Support costs

	Support costs	Governance costs	2015	2014	Basis of allocation
	£	£	£	£	
Staff	9,230	-	9,230	4,207	Costs incurred
Travel & Transport	285	-	285	2,269	Apportioned by income
Accommodation	20,465	-	20,465	15,694	Apportioned by income
Administration	3,523	-	3,523	2,987	Apportioned by income
Communications & IT	1,738	-	1,738	1,136	Apportioned by income
Training	-	-	-	170	Apportioned by income
Bank charges	78	-	78	406	Apportioned by income
Professional fees	3,716	36,000	39,716	9,468	Apportioned by income
Depreciation	1,654	-	1,654	994	Costs incurred
Marketing & publicity	343	-	343	-	Apportioned by income
Accountancy	-	2,952	2,952	-	Governance
	<u>41,032</u>	<u>38,952</u>	<u>79,984</u>	<u>37,331</u>	
Analysed between					
Trading	1,250	-	1,250	-	
Charitable activities	39,782	38,952	78,734	37,331	
	<u>41,032</u>	<u>38,952</u>	<u>79,984</u>	<u>37,331</u>	

Support costs have been allocated to activities on a basis consistent with the use of the resources.

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the company's auditor and associates:	2015	2014
	£	£
Non-audit services		
Audit-related assurance services	2,952	-
	<u>2,952</u>	<u>-</u>

Accountancy fees incurred in the year are in respect of the annual Independent Examination.

9 Trustees

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

During the year, Element Enterprises Limited, a company controlled by N Hodgson and C Hill invoiced the charity £36,000 (2014 - £9,000) in respect of governance costs. A further £17,119 (2014 - £unknown) was paid to Element Enterprises Limited in respect of running cost recharges and fees for the services of N Hodgson and C Hill.

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Employees

Number of employees

The average monthly number employees during the year was:

	2015 Number	2014 Number
Direct charitable	7	4
	<u>7</u>	<u>4</u>
Employment costs	2015	2014
	£	£
Wages and salaries	61,599	47,343
Social security costs	800	697
	<u>62,399</u>	<u>48,040</u>
	<u>62,399</u>	<u>48,040</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Other

	Unrestricted funds	Restricted funds	Total 2015	Total 2014
			£	£
Building management fee	-	-	-	3,000
Renovation costs	-	1,441	1,441	-
	<u>-</u>	<u>1,441</u>	<u>1,441</u>	<u>3,000</u>
	<u>-</u>	<u>1,441</u>	<u>1,441</u>	<u>3,000</u>
For the year ended 31 December 2014	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>

In the year the charity spent £1,441 renovating the company premises in line with the grant received for that purpose.

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

12 Tangible fixed assets

	Fixtures, fittings & equipment £	Computers £	Total £
Cost			
At 1 January 2015	5,285	-	5,285
Additions	2,926	1,031	3,957
	<u>8,211</u>	<u>1,031</u>	<u>9,242</u>
At 31 December 2015			
Depreciation and impairment			
At 1 January 2015	994	-	994
Depreciation charged in the year	1,568	86	1,654
	<u>2,562</u>	<u>86</u>	<u>2,648</u>
At 31 December 2015			
Carrying amount			
At 31 December 2015	<u>5,649</u>	<u>945</u>	<u>6,594</u>
At 31 December 2014	<u>4,291</u>	<u>-</u>	<u>4,291</u>

13 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	8,848	15,557
Other debtors	655	250
Prepayments and accrued income	13,545	-
	<u>23,048</u>	<u>15,807</u>

14 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Other taxation and social security		3,997	2,133
Deferred income	15	16,469	7,450
Trade creditors		15,208	9,538
Accruals and deferred income		2,952	72
		<u>38,626</u>	<u>19,193</u>

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

15 Deferred income

	2015 £	2014 £
Other deferred income	16,469	7,450

The following income streams were received in the year and have been deferred in line with the conditions and time frame of the grant/ provision agreement.

Funder	Project	Received £	Deferred to 2016 £
UK Youth	NCS Social action	10,589	3,486
Groundwork	Enterprising Communities	6,349	3,175
National Lottery	Building renovation	9,999	8,558
Sheffield Town Trust	Cinema	2,000	1,250
		<u>28,937</u>	<u>16,469</u>

16 Analysis of net assets between funds

	Restricted Funds £	General Funds £	Total £
Fund balances at 31 December 2015 are represented by:			
Tangible assets	-	6,594	6,594
Current assets	13,377	43,098	56,475
Current liabilities	(13,377)	(25,377)	(38,754)
	<u>-</u>	<u>24,315</u>	<u>24,315</u>

17 Financial commitments, guarantees and contingent liabilities

At the year end the company had no contingent liabilities (2014 - £nil)

18 Capital commitments

At the year end the company had no capital commitments (2014 - £nil)

19 Events after the reporting date

There are no post balance sheet events that the directors feel should be highlighted within the financial statements.

20 Related party transactions

No guarantees have been given or received.

ELEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

20 Related party transactions

(Continued)

As noted above, the charity incurred costs totalling £53,119 from Element Enterprises Limited, a company under the control of N Hodgson, a trustee of the charity, and C Hill. At the year end no balance was owed to Element Enterprises Limited (2014 - £nil).