

Charity Registration no. 1182905

THE USEFUL WOOD COMPANY

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD 8 MAY 2019 TO 31 MARCH 2020

UsefulWoodCompany

THE USEFUL WOOD COMPANY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Anthony Hewat Bryan Cross David Maskell (Resigned 31.12.2020) George Varney Michael Deavin Sue Heavens
Charity number	1182905
Registered office	32 Rosebank Cottages Woking Surrey GU22 9QZ
Principal address	15-29 Goldsworth Road Woking Surrey GU21 6LT
Independent Examiner	P I Vickerman 31a Nightingale Road Godalming Surrey GU7 2HP
Bankers	HSBC 6 Commercial Way Woking Surrey GU21 6EZ

THE USEFUL WOOD COMPANY

CONTENTS

	Page
Trustees' report	4 - 6
Independent Examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial accounts	10 - 14

THE USEFUL WOOD COMPANY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD 8 MAY 2019 to 31 MARCH 2020

The trustees present their report and financial statements for the period 8 May 2019 to 31 March 2020.

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 charity's governing document 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 the Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity's objectives are:

- The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment, work placements, training and volunteering opportunities
- To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.
- The protection and preservation of the environment for the public benefit by recycling and re-using waste wood and wood products

With these objectives in mind the trustees started on 8 May 2019 to plan and prepare to carry out the following activities:

- Collecting waste wood from national and local contractors and charging to do this. (which also reduces the amount of wood going into landfill).
- Sorting collected wood and putting on sale the more saleable wood
- Using other wood to make wooden products on site.
- The remaining wood is sold for firewood and kindling or where necessary it is taken to a green waste facility for disposal.

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

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

Achievements and performance

In September 2019 the charity started to help people such as those on the margins of society, those who may have suffered various traumas which has resulted in loss of confidence and self-esteem, long term unemployed and ex-offenders. Since this time the Charity has been able to provide work experience, training and support to enable beneficiaries to achieve employment and give back to society and their local community.

The charity's official launch took place in February 2020. It was considered to be a great success and were delighted to welcome the Mayor of Woking, the MP for Woking and the Chief Executive of Woking Borough Council who all gave strong endorsements to the charity and it's aims.

The charity has been able to use suitable premises which have been provided rent free. These facilities include a workshop, a retail area, areas for wood storage and parking for the collection van. The charity is aware that these premises may be demolished in early 2021 and the trustees are making enquiries about alternative premises.

The Charity offers opportunities for work placements to those who it feels will benefit.

During the period September 2019 to mid-March 2020 (prior to lockdown) the charity achieved:

- 18 beneficiaries attending (ranging from a few days to a month or more)
- 1 long-term unemployed beneficiary progressing to paid employment
- 12 supervisor volunteers who provided 310 volunteer days in total

As one of more than thirty National Community Wood Recycling Project (NCWRP) franchises across the country the charity benefits from advice, guidance and training offered to them and has the ability to consult with other franchise members, many of which are either non-profit companies or charities.

The charity has established positive relationships with:

- Woking Borough Council
- Woking Job Centre
- The Office of the Police and Crime Commissioner for Surrey
- The Probation Service and the Community Payback Scheme
- Welcome Church, Woking
- The York Road Project

The charity has not suffered financially during the Covid 19 lockdown as it's overheads were low due to having no paid staff and the benefit of free accommodation. Operations were resumed after a short period as there was a demand from contractors to have their waste wood collected. The Charity took all necessary precautions when it reopened and has continued to do so. It is hoping to restart its training and work experience activities shortly when it is safe to do so.

The trustees would like to express their thanks and gratitude to:

- the two grant making bodies that have supported the charity and for a number of generous donations from individuals, all of which has helped the charity get established.
- organisations that have signposted beneficiaries to the charity and for their encouragement and support.
- the growing number of volunteer "alongsiders" that support the beneficiaries by mentoring, encouraging and guiding them.

The trustees plan to continue to expand its activities in both the collections, recycling of wood, providing work experience and training with a view to the beneficiaries being able to find employment in the locality. The trustees also plan to look for suitable accommodation that will enable the charity to grow and help more beneficiaries. Good public transport links are important so that beneficiaries can get to the facility. The trustees feel passionate about both the recycling opportunities that the charity creates and the opportunities to give training and work preparation to those who need such opportunities.

Structure, Governance and Management

The charity was registered as a charitable incorporated organisation on 10 April 2019.

The trustees undertake the management function with meetings monthly or bi-monthly.

All trustees are, or have been, trustees of other registered charities and are aware of their responsibilities and the need to act with due regard to the Charity Commissions guidance on public benefit when exercising any powers or duties in relation to the running of the charity.

New trustees can be appointed by the Board of Trustees at one of their regular meetings. In accordance with the terms of the charity's constitution the elders of Welcome Church (Woking) have the power to appoint one trustee.

Financial Review

The charity operates independently and generated 46% of its trading income for the period from collections sourced through the National Community Wood Recycling Project. A further 24% and 19% of its trading income were respectively derived from the making of wood products and the sale of wood.

The charity received a grant of £6,000 from the Community Foundation for Surrey's Trustees and Donors (to re-train and get long term unemployed back into the workplace) and £5,000 from the Office of the Police and Crime Commissioner for Surrey (to help reduce re-offending).

The charity received donations of £15,592 during the period and also benefited from donations in kind valued at £3,297.

Operating costs of £6,378 were incurred in the period. These included the cost of stock of accessories of resale, the running costs of the charity's van for wood collections and wood disposal costs (the charity has an agreement with the NCWRP that it will not put any waste wood into landfill).

Administration costs amounted to £13,545 of which £7,200 was the initial NCWRP franchise fee. The charity benefited from rent free accommodation costs and volunteer labour, both of which helped keep administration costs down.

The charity has instituted a financial policy whereby its unrestricted funds, that are not designated for any other purpose, should cover three to six months of operating costs of the charity. At present, the free reserves carried forward do not meet this level and therefore the reserves will have to be built up from income in coming years.

The charity's financial accounts for the period 8th May 2019 to 31st March 2020 show a net income for the period of £16,914 of which £8,846 was unrestricted and £8,069 for restricted funds.

Trustees' Responsibilities

Charity law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period. In preparing those financial statements, the trustees should follow best practice and:

- Select suitable accounting policies and the apply them consistently.
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the ongoing concern basis unless it is not appropriate to assume that the charity will continue on that basis.

The trustees are responsible for maintaining proper accounting records which 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 Charities Act 2011. The trustees are also responsible for safeguarding the assets of the charity and to take reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the trustees on 30 June 2020 and signed on their behalf by:

Anthony A Hewat
(Chair of Trustees)

THE USEFUL WOOD COMPANY
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE USEFUL WOOD COMPANY

I report to the trustees on my examination of the financial statements of The Useful Wood Company (the charity) for the period 8 May 2019 to 31 March 2020 as set out on pages 8 to 14.

Responsibilities and basis of report

The charity's trustees are responsible for the preparation of the financial statements. The Charity's trustees consider an audit is not required for this financial period under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- 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
- To state whether particular matters have come to my attention.
-

Basis of independent examiner' 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 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' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) Which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 201 Act have not been met: or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

THE USEFUL WOOD COMPANY

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

FOR THE PERIOD 8 MAY 2019 TO 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds £
Income from:				
Donations & legacies	3	18,889	-	18,889
Grants	3	-	11,000	11,000
Charitable activities	4	7,114	-	7,114
Investment Income	5	10	-	10
Total Income		<u>26,013</u>	<u>11,000</u>	<u>37,013</u>
Expenditure on:				
Charitable activities	6	<u>16,992</u>	<u>2,931</u>	<u>19,923</u>
Net income for the period/ Net movement of funds		9,021	8,069	17,090
Fund balances as at 31 March 2020		<u>9,021</u>	<u>8,069</u>	<u>17,090</u>

THE USEFUL WOOD COMPANY

BALANCE SHEET AS AT 31 MARCH 2020

		As at <u>31 March 2020</u>	
	Notes	£	£
Fixed Assets:			
Tangible assets	11		14,059
Current Assets:			
Stock	12	375	
Debtors & prepayments	13	4,213	
Cash at bank and in hand		<u>13,588</u>	
		18,176	
Creditors: Amounts falling due within one year	14	<u>15,145</u>	
			3,031
Total assets less current liabilities			<u>17,090</u>
Income funds			
Restricted funds	16	9,021	
Unrestricted funds		<u>8,069</u>	
			17,090
			<u>17,090</u>

The notes on pages 10 – 14 form part of these financial statements.

Approved by the trustees on 30 June 2020 and signed on their behalf by:

Anthony A Hewat
(Chair of Trustees)

THE USEFUL WOOD COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 8 MAY 2019 to 31 MARCH 2020

1 Accounting policies

Charity information

The Useful Wood Company was incorporated in England and is a charitable incorporated organisation which is registered with the Charity Commissioners for England and Wales. It's registered office is at 32 Rosebank Cottages, Westfield, Woking, Surrey, GU22 9QZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, The charities Act 2011 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 the 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 charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. 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 use of the restricted funds are set out in the notes to the financial statements.

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 the deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

1.5 Resources expended

Expenditure is recognised 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 reliability.

As the charity is not registered for vat all vat is irrecoverable and is charged as a cost against the activity for which the expenditure was incurred.

1.6 Tangible fixed assets

The acquisition of minor capital items such as fixtures, fittings and equipment below a cost of £200 are charged to revenue in period they were purchased.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or realisation, net of depreciation and any impairment losses. This also applies to gifted assets which are valued at an amount in excess of £200.

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 basis:

- Fixtures, fittings and equipment 20% straight line
- Motor Vehicle 25% 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 period.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the 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).

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.

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 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 financial 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 receivables 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 financial transaction, where the debt instrument is measured at the present value of the future payments 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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are 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.

	Unrestricted funds £	Restricted funds £	Total funds £
3 Donations and legacies			
Donations & Gifts (non gift-aided)	13,027	-	13,027
Donations & Gifts (gift-aided)	700	-	700
Donations via Virgin Giving & Stewardship	1,375	-	1,375
Gift Aid Recovered	490	-	490
Grants Received	-	11,000	11,000
Donations in Kind - Tools & Equipment	3,297	-	3,297
	18,889	11,000	29,889
Grants receivable for core activities			
Community Foundation for Surrey	-	6,000	6,000
The Office of the Police and Crime Commissioner for Surrey	-	5,000	5,000
	-	11,000	11,000
4 Income from charitable activities			
Sales within charitable activities - wood recycling			
National Collections	3,276	-	3,276
Local Collections	244	-	244
Product			
Sales	1,708	-	1,708
Wood Sales	1,355	-	1,355
Hardware Sales	98	-	98
Pallet Sales	297	-	297
Firewood Sales	30	-	30
Miscellaneous Sales	106	-	106
	7,114	-	7,114
5 Investments			
Interest Received (Gross)	10	-	10
6 Expenditure on charitable activities			
Workshop consumables	696	-	696
Small tools & minor equipment	762	231	993
Hardware Purchases	125	-	125
Paints, adhesives & finishes	236	-	236
Packaging materials	10	-	10
Waste disposal costs	871	-	871
Van costs (incl van hire)	2,326	-	2,326
Protective clothing	165	690	855
Volunteers expenses (incl refreshments)	266	-	266
	5,457	921	6,378
Support costs (note 7)	11,485	1,709	13,194
Governance costs (note 8)	50	301	351
	16,992	2,931	19,923

7 Support Costs

Printing, postage & stationery	39	129	168
Telephone & internet	215	100	315
IT costs	86	150	236
Repairs & maintenance	135	-	135
Marketing, PR & website	-	104	104
Travelling & motor expenses	115	-	115
Cleaning materials	10	92	102
Safety & first aid	581	202	783
Franchise fee	7,200	-	7,200
Sundry expenses	148	32	180
Fixtures & fittings (moveable)	30	433	463
Leasehold expenses	1,365	-	1,365
Merchants charges	28	-	28
Depreciation and impairment	1,533	467	2,000
	<u>11,485</u>	<u>1,709</u>	<u>13,194</u>

8 Governance Costs

Business insurance	-	301	301
Independent Examiners fee	50	-	50
	<u>50</u>	<u>301</u>	<u>351</u>

9 Trustees

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

10 Employees

The charity had no employees during the period.

11 Tangible Fixed Assets

	Unrestricted funds equipment £	Restricted funds equipment £	Total equipment £
Cost:			
Additions in period	12,554	3,505	16,059
Balance c/fwd at 31 March 2020	<u>12,554</u>	<u>3,505</u>	<u>16,059</u>
Depreciation			
Provision for period	1,533	467	2,000
Balance c/fwd at 31 March 2020	<u>1,533</u>	<u>467</u>	<u>2,000</u>
Net Book Value at 31 March 2020	<u>11,021</u>	<u>3,038</u>	<u>14,059</u>

12 Stocks

Stock of consumable items		<u>£</u>	<u>375</u>
---------------------------	--	----------	------------

13 Debtors

Amounts falling due within one year:

Trade debtors	2,954
Other debtors	32
Prepayments and accrued income	1,052
	<hr/>
	4,038

14 Creditors: amounts falling due within one year

Trade creditors	315
Other creditors	5,580
Accrued expenses	50
Other loans (note 15)	8,000
	<hr/>
	13,945

15 Loans

Loans from Trustees falling due on demand	<hr/>
	8,000

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:

	Movement in funds		
	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£
Community Fund for Surrey	6,000	2,914	3,086
The Office of the Police and Crime Commissioner for Surrey	5,000	17	4,983
	<hr/>	<hr/>	<hr/>
	11,000	2,931	8,069

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
Fund balances at 31 March 2020 are represented by:			
Tangible assets	11,021	3,038	14,059
Current assets/(liabilities)	(2,000)	5,031	3,031
	<hr/>	<hr/>	<hr/>
	9,021	8,069	17,090

18 Related party transactions

(a) The following related party transactions which trustees paid for in the period and for which there was minimal cost:

	£
Sale of wood products:	
George Varney - wendy house & cutting board	90
David Maskell - one cutting board	20
Sue Heavens - two planters	30
Bryan Cross - bird table purchased by his daughter	30
Sale of wood:	
Michael Deavin	15

(b) Michael Deavin is Chairman of the Trustees of Welcome Church in Woking. The church provided the charity with rent free accommodation for the charity's use (15-29 Goldsworth Road, Woking).