

Charity registration number 313454

Unlock

Trustees' report and financial statements

for the year ended 31 December 2019

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Trustees' Report for the year ended 31 December 2019

The trustees present their report together with the financial statements of the charity and the independent examiner's report for the year ended 31 December 2019.

REFERENCE & ADMINISTRATIVE INFORMATION

Charity Name	Unlock
Registered Charity Number	313454
Charity Office	Handsworth Old Rectory 402B Handsworth Road Sheffield South Yorkshire S13 9BZ
Website	www.unlock-urban.org.uk
Start of financial year	1 January 2019
End of financial year	31 December 2019
Trustees	Nicholas Carter - Chair Andrew Dorton Barbara Funnell
Chief Officer	Dawn Lonsdale
Bankers	The Co-operative Bank plc PO Box 250 Skelmersdale WN8 6WT Charities Deposit Fund 80 Cheapside London EC2V 6DZ
Independent Examiner	Peter Winter 103 Wilkinson Street Sheffield S10 2GJ

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Trustees' Report for the year ended 31 December 2019

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STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

The Charity is governed by a declaration of Trust dated 25 May 1972, as amended by a supplemental deed dated 19 August 1999 and a deed of variation dated 6 July 2001.

Trustee Recruitment and Appointment

The trustees named on page 1 have served during the year. Appointment of trustees is governed by the Trust Deed of the Charity. The board of trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee.

Trustee Induction and Training

New trustees undergo orientation to brief them on their legal obligations under charity law, the decision making process, the aims and objectives and recent financial performance of the charity.

Organisational Structure

The Charity has a board of trustees who meet regularly and are responsible for the strategic direction and policy of the Charity. The trustees delegate the management of the Charity to the National Council. The National Council assigns the day-to-day responsibility for training and staff management to the Chief Officer.

Risk management

The trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finance of the Charity and are satisfied that systems are in place to mitigate exposure to major risks. Where appropriate, additional systems or procedures have been established to mitigate the risks faced by the Charity. External risks include the loss of funding, the effects of this have been minimised by the procedures in place, which have resulted in funding being secured from a variety of sources. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent delivery for all operational aspects of the Charity. These procedures are reviewed periodically to ensure they still meet the needs of the charity.

OBJECTIVES AND ACTIVITIES

Aims and Objectives

Unlock is a Christian Charity that has worked since 1973 to help urban churches of any denomination respond to the challenges in their areas. We are especially concerned with helping people in "text-shy" cultures to explore their faith.

As well as deploying a team of workers, Unlock publishes a variety of group Bible study packs, games, Lent courses, audit materials and provides training.

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Trustees' Report for the year ended 31 December 2019

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Statement of Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The Trustees are also aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and have had regard to it in their administration of the Charity.

The trustees believe that the Charity is providing a benefit to the public in the following ways:

- The education of ministers and lay people concerned with the advancement of the Christian religion; in urban and industrial areas:
- Providing regional training courses, research projects, study groups and small conferences for evangelical Christians to equip them to be more effective in their Christian witness in their own areas of life and work
- Making the results of research projects available to the public

The Trustees confirm that they have complied with their duties under section 17 of the Charities Act 2011 with regard to public benefit.

ACHIEVEMENTS AND PERFORMANCE

The main achievements during the year under review are:

- Office staff provided financial management, administration and resourcing of workers as well as responding to enquiries.
- £23,628 raised by the 36th annual Unlock walk in London.
- Unlock work in Sunderland.
- Unlock work in Hull.
- Unlock work (with part time paid workers) in Cardiff; Hastings; Byker in Newcastle; Treeton in Rotherham and Woodhouse, Sheffield.
- New Unlock work with a focus on the use of Social media in Urban Mission in development in Birmingham in partnership with the St Peter's Saltley Trust.
- Unlock website maintained with new Bible study resources added.
- Unlock staff delivered training for the Queen's Foundation, Christians Against Poverty and Hull Community Church.
- Unlock Bible Women exhibition and activities in Heanor, Derbyshire.
- Unlock worker training managed and delivered.
- Strategic National Unlock partnerships nurtured and developed with Queen's Foundation, Saltley Trust and Bible Society, UTU, Church Army, NECN, Estates Evangelism Task Group.
- Annual Report produced and mailed.
- Networking conferences attended.
- Engaged in consultations.
- Annual Unlock Gathering took place.

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Trustees' Report for the year ended 31 December 2019

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FINANCIAL REVIEW

Reserves policy

The Reserves policy takes into account the guidance of the Charity Commission and the risk arising from relying on a single, annual fundraising event for its major source of income. The Unlock National Council and Trustees believe that the free reserves of the Charity should be maintained at a sufficient level to cover adequately a minimum of three months' operating costs. A designated fund of £21,000 has been created which comprises two elements:

- a. A redundancy reserve of £8,000 which is to cover redundancy costs for all Unlock staff calculated using the statutory redundancy method.
- b. A closure costs reserve of £13,000 which is to cover costs arising from the organisation being wound up and will include three months' ordinary operating expenses (salaries, premises, administration and any additional closure costs).

The designated reserve is held in the Charities Aid Foundation investment account which currently has a market value greater than £21,000 at 31 December 2019. The designated reserve will be reviewed annually.

Investment policy

The Trust Deed authorises the trustees to make and hold investments using the general funds of the charity. The charity holds units in the CAF Income Fund (Note 16).

PLANS FOR THE FUTURE

There is a plan to restart the local partnership in Hull and other new locations for projects are being considered.

INDEPENDENT EXAMINER

Peter Winter MA FCCA FCIE, was reappointed independent examiner during the year under review.

APPROVAL

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

Nicholas Carter - Chair of Trustees

Date:

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Independent Examiner's report to the trustees of Unlock

I report to the trustees on my examination of the financial statements of the above charity ("the Trust") for the year ended 31 December 2019, which are set out on pages 6 to 15.

Respective responsibilities of trustees and examiner

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the 2011 Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- (1) the accounting records were not kept in accordance with section 130 of the Charities Act; or
- (2) the accounts did not not accord with the accounting records; or
- (3) the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Peter Winter MA FCCA FCIE
Chartered Certified Accountant
103 Wilkinson Street
Sheffield
S10 2GJ

Date:

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Statement of Financial Activities for the year ended 31 December 2019

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 Total £	2018 Total £
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary Income	4	18,292	-	13,982	32,274	35,820
Activities for Generating Funds	5	23,628	-	-	23,628	26,017
Investment Income	6	917	-	-	917	681
Incoming Resources from Charitable Activities	7	350	-	-	350	-
Total Incoming Resources		<u>43,187</u>	<u>-</u>	<u>13,982</u>	<u>57,169</u>	<u>62,518</u>
Resources Expended						
Costs of Generating Funds	8	5,386	-	-	5,386	5,853
Charitable Activities	9	36,093	-	16,644	52,737	54,200
Governance Costs	10	3,854	-	-	3,854	3,270
Total Resources Expended		<u>45,333</u>	<u>-</u>	<u>16,644</u>	<u>61,977</u>	<u>63,323</u>
Net Incoming/(Outgoing) Resources for the year		(2,146)	-	(2,662)	(4,808)	(805)
Gross Transfers Between Funds	11	1,227	(4,347)	3,120	-	-
Gains/(losses) on investments	12	-	1,474	-	1,474	(1,378)
Net Movement in Funds		(919)	(2,873)	458	(3,334)	(2,183)
Funds at 1 January 2019		31,179	23,873	20,139	75,191	77,374
Funds at 31 December 2019		<u>30,260</u>	<u>21,000</u>	<u>20,597</u>	<u>71,857</u>	<u>75,191</u>

There were no recognised gains or losses for the current or previous year other than those included in the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

The notes on pages 8 to 15 form an integral part of these financial statements.

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Balance Sheet as at 31 December 2019

		2019		2018	
	Notes	£	£	£	£
Current assets					
Debtors	15	1,228		2,912	
Investments	16	25,347		23,873	
Cash at bank and in hand		46,991		50,307	
		<u>73,566</u>		<u>77,092</u>	
Creditors: amounts falling due within one year	17	<u>(1,709)</u>		<u>(1,901)</u>	
Net current assets			<u>71,857</u>		<u>75,191</u>
Total assets less current liabilities			<u>71,857</u>		<u>75,191</u>
Funds	18				
Unrestricted Funds			30,260		31,179
Designated Funds			21,000		23,873
Restricted Funds	19		20,597		20,139
			<u>71,857</u>		<u>75,191</u>

Approved by the Trustees and signed on their behalf by:

.....

Nicholas Carter

Chair of Trustees

Date:

The notes on pages 8 to 15 form an integral part of these financial statements.

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Notes to the financial statements for the year ended 31 December 2019

1. Basis of Preparation

1.1. Basis of accounting

These accounts have been prepared on the basis of historical cost in accordance with: -

- a) The Charities Act 2011
- b) 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) - (Charities SORP (FRS 102)).
- c) Applicable accounting standards

2 Accounting Policies

- 2.1.** The principal accounting policies are unchanged from the previous year and have been applied consistently throughout the year under review. The accounts include the results of all of the charity's operations, which are continuing and are described in detail in the Trustees' Report.

2.2. Form of Financial Statements

Balances are split between unrestricted and restricted funds held by the Trust.

- a) Unrestricted 'general' funds
These are the funds of Unlock that are not subject to any restrictions regarding their use and are available for application of general purposes of the charity. Donations received by the charity are treated as unrestricted unless specifically earmarked for a particular restricted fund.
- b) Designated funds
These are unrestricted funds which are designated for a particular purpose or project by the trustees.
- c) Restricted funds
These are funds subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure.

2.3. Incoming Resources

- a) Incoming resources are recognised and included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resource; the trustees are virtually certain they will receive the resources; and the monetary value can be measured with reasonable accuracy.
- b) Where incoming resources have related expenditure (as with fundraising), the incoming resources and related expenditure are reported gross in the SOFA.
- c) Bank interest is recognised when it is credited to the account.
- d) Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

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Notes to the financial statements for the year ended 31 December 2019

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2.4. Expenditure and Liabilities

- a) Expenditure is accounted for on an accruals basis.
- b) Liabilities are recognised as soon as there is a legal or constructive obligation to pay out resources.
- c) Governance costs include the costs of preparation and examination of the statutory accounts, the cost of trustee meetings and the cost of any legal advice to trustees on governance and constitutional matters.

2.5. Pensions

The charity contributes to eligible staff members' qualifying personal pension schemes at a rate of 3% of their gross salaries (increasing to a rate of 5% of gross salaries after 5 years of service). The assets of these schemes are held separately from those of the charity in independently administered funds. The employer's pension costs represent contributions payable by the charity to these funds.

2.6. Tangible fixed assets for use by the charity and depreciation

Tangible fixed assets are capitalised if they cost more than £100 and can be used for more than one year. They are valued at cost or, if gifted, at their value on receipt.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures, fittings and equipment	- 25% straight line
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2.7. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Value added tax is not recoverable by the charity, and as such is included in the asset cost or expense to which it relates.

1.8. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

2.9. Investments

Current asset investments are stated at market value at the balance sheet date in accordance with the Charities SORP (FRS 102).

1.10. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Statement of Financial Activities.

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Notes to the financial statements for the year ended 31 December 2019

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3. Trustees' remuneration and related party transactions

- a) No remuneration was paid to any trustee.
- b) No travel or other expenses were reimbursed to trustees. Travel and other expenses amounting to £216, were reimbursed to Council Members who are not trustees (2018: £471).
- c) No trustee or other person connected to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
4. Voluntary Income				
Donations and Grants	11,990	13,982	25,972	29,171
Gift Aid claims	6,302	-	6,302	6,649
	<u>18,292</u>	<u>13,982</u>	<u>32,274</u>	<u>35,820</u>
	£	£	£	£
5. Activities for Generating Funds				
Annual Unlock Walk	23,628	-	23,628	26,017
	<u>23,628</u>	<u>-</u>	<u>23,628</u>	<u>26,017</u>
	£	£	£	£
6. Investment Income				
Bank interest	228	-	228	106
Listed investments interest	689	-	689	575
	<u>917</u>	<u>-</u>	<u>917</u>	<u>681</u>
	£	£	£	£
7. Incoming resources from charitable activities				
Training fees	350	-	350	-
	<u>350</u>	<u>-</u>	<u>350</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 December 2019

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	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
8. Costs of Generating Funds				
Fundraising expenses - Walk	5,386	-	5,386	5,853
	<u>5,386</u>	<u>-</u>	<u>5,386</u>	<u>5,853</u>
9. Charitable activities	£	£	£	£
Staff costs (note 13)	25,861	14,018	39,879	40,841
Website costs	265	-	265	593
Workers' expenses	863	2,626	3,489	3,262
Rent	2,957	-	2,957	2,957
Insurance	851	-	851	768
Printing, postage and stationery	920	-	920	1,164
Computer costs	1,467	-	1,467	1,246
Computer software	706	-	706	648
Telephone	355	-	355	362
Staff Training & Travel	226	-	226	392
Repairs and maintenance	120	-	120	120
Festivals	1,453	-	1,453	1,681
Depreciation on fixtures	-	-	-	167
Other costs	49	-	49	1
	<u>36,093</u>	<u>16,644</u>	<u>52,737</u>	<u>54,200</u>
10. Governance Costs	£	£	£	£
Annual Report	2,858	-	2,858	2,079
Independent Examiner	780	-	780	720
Council expenses	216	-	216	471
	<u>3,854</u>	<u>-</u>	<u>3,854</u>	<u>3,270</u>
11. Transfers	£	£	£	£
Unrestricted Funds	4,347	-	-	-
Designated Funds	(4,347)	-	-	-
Hastings	(3,247)	3,247	-	-
Gathering/Festival	(95)	95	-	-
Newcastle	(823)	823	-	-
Crosscharge expenses	1,045	(1,045)	-	-
	<u>(3,120)</u>	<u>3,120</u>	<u>-</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 December 2019

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			2019	2018
	£	£	£	£
12. Investment				
Gains / (losses) on investments	1,474	-	1,474	(1,378)
	<u>1,474</u>	<u>-</u>	<u>1,474</u>	<u>(1,378)</u>

13. Staff costs			2019	2018
			£	£
Salaries			39,224	40,415
Employer's Pension Contributions			655	426
			<u>39,879</u>	<u>40,841</u>

No employee received remuneration of more than £60,000 during the year under review (2018: None).

14. Tangible fixed assets	Fixtures, fittings and equipment	Total
	£	£
Cost		
At 1 January 2019	3,567	3,567
Additions	-	-
Disposals	-	-
	<u>3,567</u>	<u>3,567</u>
At 31 December 2019	3,567	3,567
Depreciation		
At 1 January 2019	3,567	3,567
On disposals	-	-
Charge for the year	-	-
	<u>3,567</u>	<u>3,567</u>
At 31 December 2019	3,567	3,567
Net book values		
At 31 December 2019	-	-
	<u>-</u>	<u>-</u>
At 31 December 2018	-	-
	<u>-</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 December 2019

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15. Debtors	2019	2018
	£	£
Gift Aid Receivable	315	2,200
Prepaid insurance	913	712
	<u>1,228</u>	<u>2,912</u>

16. Investments	2019	2018
	£	£
Current asset investments	<u>25,347</u>	<u>23,873</u>

Current asset investments comprise 24,802 units in CAF Income Fund having a market value of £25,347. The balance at 31 December 2018 comprised 24,802 units having a market value of £23,873. The unrealised gains/(losses) during the year are shown in the Statement of Financial Activities.

17. Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	24	-
Other taxes and social security costs	653	333
Accrued expenses	1,032	1,568
	<u>1,709</u>	<u>1,901</u>

18. Movements Between Funds	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
1 January 2019	31,179	23,873	20,139	75,191
Incoming Resources for the Year	<u>43,187</u>	<u>-</u>	<u>13,982</u>	<u>57,169</u>
	74,366	23,873	34,121	132,360
Resources Expended in the year	<u>(45,333)</u>	<u>-</u>	<u>(16,644)</u>	<u>(61,977)</u>
	29,033	23,873	17,477	70,383
Transfers between funds	1,227	(4,347)	3,120	-
Gains/(losses) on investments	<u>-</u>	<u>1,474</u>	<u>-</u>	<u>1,474</u>
	<u>30,260</u>	<u>21,000</u>	<u>20,597</u>	<u>71,857</u>

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Notes to the financial statements for the year ended 31 December 2019

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19. Restricted Funds

	At 1 January			Transfers	At 31 December
	2019	Income	Expenditure	General	2019
	£	£	£	Funds	£
Birmingham Queens	3,190	-	(104)	(350)	2,736
Birmingham Social Media	6,038	-	(47)	-	5,991
Cardiff	1,953	3,750	(4,329)	(250)	1,124
Hastings Project	-	20	(3,267)	3,247	-
Hull Project	1,988	-	-	-	1,988
Newcastle Project	-	625	(1,448)	823	-
Rotherham	-	2,500	(2,153)	(100)	247
Sheffield Project	3,815	4,087	(5,210)	(250)	2,442
Sunderland Project	3,155	3,000	(86)	-	6,069
	<u>20,139</u>	<u>13,982</u>	<u>(16,644)</u>	<u>3,120</u>	<u>20,597</u>

At set up of a project: A local partner will normally give an amount of restricted funds (typically £2,500) and Unlock will provide an unrestricted amount available to the project (usually £2,500). The unrestricted portion from Unlock is not held separately. The restricted money is normally used first in order to leave Unlock with more flexibility if the project doesn't continue. If the restricted fund is used up then the project is funded using the money introduced from Unlock's unrestricted funds.

Birmingham (Queen's) Local Partnership

Unlock Birmingham works in Partnership with The Queen's Foundation and the St Peter's Saltley Trust. Unlock is providing training for those working in churches and communities in the more deprived areas of Birmingham. At the same time it is ensuring that Methodist Deacons and other students in training at Queen's have opportunities to learn about Unlock's accessible and open approach to Bible engagement with oral learners in poor urban communities.

Birmingham Social Media Local Partnership

Developing work in partnership with St Peter's Saltley Trust which will explore the use of Social media in Urban Mission and Bible Engagement. Funding was received from St Peter's Saltley Trust in September 2017.

Cardiff Local Partnership

This fund is used for work in Cardiff. Work in this area is undertaken in partnership with local charity, Caru Am Byth.

Hastings Local Partnership

This fund is used for work in Hastings, St Leonards and Bexhill. Work in this area is undertaken in partnership with private local sponsors.

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Notes to the financial statements for the year ended 31 December 2019

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Hull (Community Church) Local Partnership

This fund is used for work in West Hull. Work in this area is undertaken in partnership with the Bible Society.

Unlock Hull, St John's Rosemead Local Partnership

This work is at the development stage and is supported by the Bible Society. Unlock are working with local church leaders to support them in using Unlock approaches for sharing the gospel in their community.

Newcastle Local Partnership

This fund is used for work in the Biker & Walker area of Newcastle. Work in this area is undertaken in partnership with Newcastle MINE and St Hild and St Bede Trust.

Sheffield Local Partnership

This fund is used for work in Sheffield. Work in this area is undertaken in partnership with Sheffield Methodist Circuit. The fund aims to work with church and community groups in Woodhouse, helping people to explore the Bible in ways which change lives and communities. The fund is also used to explore fresh models of sharing the Bible together.

Sunderland Local Partnership

This fund is used for work in the Sunderland area. Work in this area is undertaken with funding and partnership from Wearside Deanery, St Hild and St Bede Trust and Seedbed Christian Community Trust.

20. Prior Year: Statement of financial activities

	Unrestricted funds	Designated funds	Restricted funds	2018 total
	£	£	£	£
Incoming resources	53,818	-	8,700	62,518
Resources expended	(48,388)	(1,378)	14,935	(64,701)
Total incoming/(outgoing) resources for the year	5,430	(1,378)	(6,235)	(2,183)
Net funds bf	25,749	25,251	26,374	77,374
Net funds Cf	31,179	23,873	20,139	75,191