

buddy bag foundation

making a difference to children in emergency care



Report of the Trustees and Unaudited Financial Statements for the year ended 31 December 2019 for The Buddy Bag Foundation

(A Charitable Incorporated Organisation)

REGISTERED CHARITY NUMBER: 1164916

SINCE 1980

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The trustees present their report together with the consolidated financial statements of the Buddy Bag Foundation (the charity) for the year ended 31 December 2019.

This is the first time that the financial statements consolidate the results of the charity and its wholly-owned subsidiary The Buddy Bag Ltd. Previously, The Buddy Bag Ltd was a dormant company.

The financial statements have been prepared using the accounting policies set out in note 1 to the financial statements and comply with the Charitable Incorporated Organisation's trust deed, applicable law

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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Charities Act 2011.

The Buddy Bag Foundation is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission for England and Wales on 17 December 2015.

IMPLICATIONS OF COVID-19 ON THE CHARITY

This report covers the year ended 31 December 2019, before COVID-19 had affected life in the UK.

Since the year end, COVID-19 has greatly impacted on all the fundraising and charitable activities of this charity. We continue to adapt and to thrive.

Throughout this Trustees' Report we have described what we have been doing since COVID-19 measures were introduced in the UK as well as our future plans.

Founder's Report

My name is Karen Williams. I am passionate about making a difference to the lives of others.

Where did the Buddy Bag idea come from?

During a visit to Australia in 2014, I was inspired by an article about the Alannah and Madeline Foundation (www.amf.org.au) which has delivered more than 50,000 Buddy Bags to children in emergency care since 2007. On my return from Australia, I researched the facilities available to children in emergency care in the UK and discovered a huge need for Buddy Bags here. To ensure as many children as possible can benefit from the Buddy Bag scheme, I set up the Live Love Laugh Foundation (which later became the Buddy Bag Foundation) and launched the Buddy Bag appeal in the UK, with the help and support of The Alannah and Madeline Foundation.

Our goal

To restore a sense of safety and security into a child's life during a traumatic time is one of the first steps to recovery. Buddy Bags are something a child can call their own, no matter where they go. Tailored across a wide age range, from new born babies to teenagers, they contain all the essential items a child needs straight away - such as toiletries, pyjamas, socks and underwear. They also include comfort items, including as a book and a teddy bear.

Starting in the West Midlands, our aim was to deliver 20,200 Buddy Bags to 300 refugees across the UK by 2020. To help support this aim, we are looking for companies and individuals that would like to get involved in a community project. They can do this by either sponsoring Buddy Bags in their local area, by donating funds to help pay for the items that go into the bags, or by donating their time to help fill the bags.

How the scheme works

Buddy Bags are funded through fundraising, sponsorship and donations. Groups of items can either be donated or sponsored. Individual volunteers, or companies looking for community projects to support, can meet at venues throughout UK every fortnight to help fill the back packs.

We are committed to 100% of the monies raised going into the supply of Buddy Bags!

Most of our services are supplied by companies who have chosen us as their Charity of the Year and donate some of their services free of charge.

2019 has been an amazing year for the Buddy Bag Foundation. We are delighted to announce that we packed our 20,200 Buddy Bag in June 2019. 18 months ahead of our goal!

We have delivered 8,310 Buddy Bags this year. Making a difference to 8,310 children. We are proud to have delivered a total of 25,168 Buddy Bags, hosted 135 Buddy Bag Brigades and engaged with 2,700 volunteers to 31 December 2019.

I would like to thank all our Corporate Supporters including Gowling WLG who choose BBF as their Charity of the Year and raised an amazing £48,503 this year alone.

Karen Williams

Karen Williams
Founder and Trustee

Objectives and Activities

The objective of the charity is:

The relief of material hardship and need, for the public benefit, in England and Wales, by providing personal items of basic necessity and comfort to children and young people in emergency situations, through charities or other organisations, working with children and young people when they arrive in crisis accommodation without vital personal essentials.

Our guiding principles

Purpose:

We exist to make a difference to children in emergency care.

Mission:

To provide a bag of essential items to children in emergency care to help restore a sense of comfort and love.

Philosophy:

- 100% of donations go directly to the children.
- To support local communities all over the UK.
- To provide opportunities for individuals and organisations to give back.



Values:

How we behave as an organisation to deliver on our purpose and mission:

AMBITION

DETERMINATION

LEADERSHIP

GENEROSITY

INTEGRITY

ACCOUNTABILITY

HONESTY

RESPECT

EMPATHY

PASSION

COLLABORATION

AUTHENTICITY

What is a Buddy Bag?

A Buddy Bag is a backpack that contains all the essential items a child needs. They include toiletries, pyjamas and underwear. They also include comfort items such as a book and a teddy bear. A Buddy Bag is something a child can call their own, no matter where they go.

All the items going into the Buddy Bags are new. This has several benefits ranging from helping the children receiving the bags to bolster their self-esteem, through to simplifying the process involved in hosting a Buddy Bag Brigade.

Each Buddy Bag costs the charity about £25.

How do Buddy Bags get to the children?

Buddy Bags are donated to women's refuges all over Great Britain. Each refuge receives 30 Buddy Bags at a time.

The Buddy Bags are tailored to suit babies, children and young people, according to the needs of different age groups and genders.



What is a Buddy Bag Brigade?

A Buddy Bag Brigade is an event which brings around 20 volunteers together for two hours, working together to pack 180 Buddy Bags. The packed bags are delivered to six women's refuges. Where possible, Buddy Bags are distributed locally, but the charity works to support women's refuges all over Great Britain.

These brigades are a great team building opportunity. Many organisations engage in fundraising activities and then host their own Buddy Bag Brigades.

The charity is committed to positively influencing the local communities in which we live and work.



Corporate Social Responsibility

The Charity engages with employers, demonstrating how partnering with the Buddy Bag Foundation can help impact Corporate Social Responsibility policies, and positively support their local community.

With the opportunity to fundraise, whether through bake sales or bike rides, and volunteer with a Buddy Bag Brigade, the Buddy Bag Foundation provides great team building opportunities whilst making a difference to children in crisis.

Public benefit

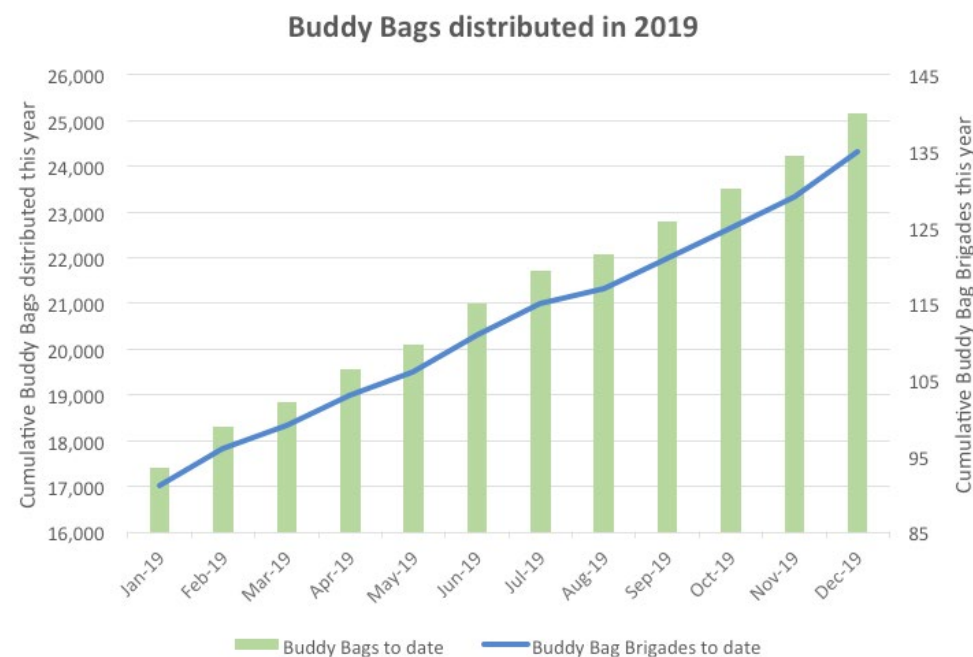
The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit during the performance of their duties.



Achievements and Performance

During the year ended 31 December 2019:

	2019	2018	Since formation to 31 Dec 2019
Buddy Bags distributed	8,310	4,948	25,168
Number of Buddy Bag Brigades	47	24	135
Number of volunteers engaged	940	540	2,700
Women's refuges supplied	277	165	475



Regularly Buddy Bag Brigades have been held at Lichfield, Tamworth and Sutton Coldfield.

Thanks to the work of volunteer Ambassadors and to groups and employers, in 2019 Buddy Bag Brigades have been held in Birmingham, the West Midlands, Lancashire, York, Nantwich, Swadlincote, Kegworth, Gloucester, East Grinstead, Uxbridge, Uttoxeter, Whitchurch, Lincoln, London and Essex.

In 2020, when COVID-19 considerations appeared, our most important priority became ensuring the safety of our volunteers and the safety of the children we serve. We immediately postponed or cancelled all our

signature Buddy Bag Brigades and other face-to-face events. We held an emergency meeting on 3rd April 2020 to discuss how we could best meet the needs of our end users; all families being in lockdown.

With Domestic Violence rising daily during lockdown our Buddy Bags have never been needed more.

We contacted the Women's Refuge Centres and asked "How could we Help?". The feedback we had was a request to supply craft items. Activities to keep the children busy while in refuge during lockdown.



We immediately started to contact Women's Refuge centres and began to send out Craft Boxes. To date we have supplied craft items to over 800 children.

On 30th April 2020 we held our first COVID-19 Buddy Bag Brigade, where Karen Williams and Chris Williams pioneered how to pack 180 Buddy Bags whilst following Government Guidance. During May through to date of writing (August 2020) every fortnight we bring together a small team of 8 volunteers who follow current Government Guidance and pack 180 Buddy Bags. This has only been possible because Ian Hazel

Funerals, Sutton Coldfield have allowed us to use their function room.

Since 30th April 2020 we have already packed 1,800 Buddy Bags. We look forwards to soon increasing the frequency of these small team Brigades from fortnightly to weekly.

Fundraising and donations

Individuals, groups and companies are the lifeline of The Buddy Bag Foundation. Together they have helped to achieve total income of £238,003 (2018: £152,030).

The Charity is active in bidding for funding and during this period has been successful in securing funding from different sources including supermarkets and various groups.

When COVID-19 measures first appeared in 2020, we postponed or cancelled all our face-to-face events. Our teams of ambassadors and fundraisers and supporters have become very inventive by switching to online fundraising activities instead.

Our campaign to receive hand knitted toys has mushroomed in popularity during the 2020 lockdown.

Patrons and Supporter

Our Patrons are Olivia Hill and Molly Windsor and Supporter Dr. Hilary Jones. In 2020 Jess Phillips MP has also become a Patron.

Ambassadors

We now have a number of Ambassadors nationwide (for example: York, Essex, Bury, Cardiff, Croydon and Cornwall) who are flying the flag of BBF.

With a supportive team of volunteers their goal is to raise £4,500 in their community to host their own Buddy Bag Brigade in their area. We will continue to recruit more Ambassadors.

Volunteers

We have engaged with over 2,700 Volunteers since formation to 31 December 2019. Our volunteers support us in lots of different ways; at our Buddy Bag Brigades by donating two hours of their time; at our fundraising events and we have lots of volunteers that knit cuddly toys for our Buddy Bags.

We thank you.

If you are interested in joining our Team – Please complete the following questionnaire
<https://buddybagfoundation.co.uk/our-questionnaire/>



100th Buddy Bag Brigade

26 April 2019 we celebrated our 100th Buddy Bag Brigade by recognising our supporters, volunteers and partners to join us for Afternoon Tea.



Awards evening

The BBF Annual Awards Evening was held in September 2019 to recognise and celebrate our Volunteers, Ambassadors and Supporters.



The winners and runners up:

2019 AWARDS

Volunteer of the Year

Ambassador

Going the Extra Mile

Top Ind Fundraiser

Corporate Partner of the Year

Making a difference Award

Winners

Traci + Chris Valentine, Paul Roberts and Julie Plummer

John Wilson

Sylvia Kerris

Heather Gordon

Gowling WLG

BNI

Runner up

DMS Whittington Barracks

Sue Roberts

Roger Hall

Carrie Jahn

Sydney Mitchell

National Express

Fundraising events

We would like to thank all our supporters for the amazing fundraising they did for BBF in 2019.



Half Marathon, Cake Sale, Jumping out of aeroplanes, Cycling, Classic Car Show, Sponsored Walks, Quiz Nights to name just a small selection of innovative ideas.

Here is our simple A-Z list of fundraising ideas

<https://buddybagfoundation.co.uk/wp-content/uploads/2018/08/a-z.pdf>

Awards received

English Women of the Year Finalist 2019 – Karen Williams, Founder

Partnering with Buddy Bag Foundation

Corporate Social Responsibility or CSR, centres around embracing and giving back to your local community. Companies throughout the UK are reaping the benefits of making a difference and engaging with their local causes, plus raising their profile whilst doing so.

So, why should you get involved with The Buddy Bag Foundation?

1. You can make a positive impact in YOUR area

- 100% of money raised goes directly back into local communities.
- You can join us for one of our upcoming Buddy Bag Brigades

2. Creates fantastic exposure for your brand

- What better way to strengthen your brand by associating with a worthwhile cause?
- We have the incredible support of our star Patrons

3. Strengthens relationships with your customers

- By supporting your local community, this will have a huge positive impact on your customer relationships, showing them you care.
- Our social presence is felt within the community and online via our social media channels Facebook, Twitter and Instagram

4. Encourages employee engagement and attracts potential employees

- In helping local causes, it will make your company desirable to potential employees and your current employees will be proud to be giving something back.
- You can view case studies from the companies we have worked with through our Corporate Partnerships here

5. Enhances client relationships

- Just like your employees, giving back to your local community shows you in an extremely positive light to your client base.
- Visit our Postcard gallery to see why our Buddy Bags are loved so much!

6. Helps to build your team, boosting self-improvement for all

- Playing a vital part in our bag pack events helps communication, compassion and self fulfilment for the whole team.
- Our Buddy Bag Brigade events welcome all ages & abilities, showing how working together can make such a difference!

Our current partners include: Vodafone, Utility Warehouse, Jaguar Land Rover, Amazon, Palletforce, AW Dawson, Wesleyan Assurance, Four Oaks Financial Services, NCS, Prince's Trust, Gowling WLG, Sydney Mitchell, Gateley, National Express.

For further detail on how you can be part of our CSR Team Building initiative
<https://buddybagfoundation.co.uk/partnering-with-the-buddy-bag-foundation/>

Corporate Suppliers

Thank You to our Corporate Supporters of donations that help reduce the cost of our Buddy Bags.

<https://buddybagfoundation.co.uk/our-charity-partners/>



Buddy Bag Foundation Angels

It is thanks to the benevolence and generosity of our Angels, whose financial assistance and support ensures the long term sustainability and continuation of the Buddy Bag Foundation. By providing support to fully develop processes and systems which not only increase reliability and growth but ensure the foundations long term future

<https://buddybagfoundation.co.uk/our-angels/>



Buddy Bag Foundation Challenge Box

A fun, Team Building activity helping local causes. Employees will be proud to be giving something back. Playing a vital part in the challenge helps communication, compassion and self-fulfilment for the whole team. Welcoming all ages and abilities, showing how working together can make a real difference.

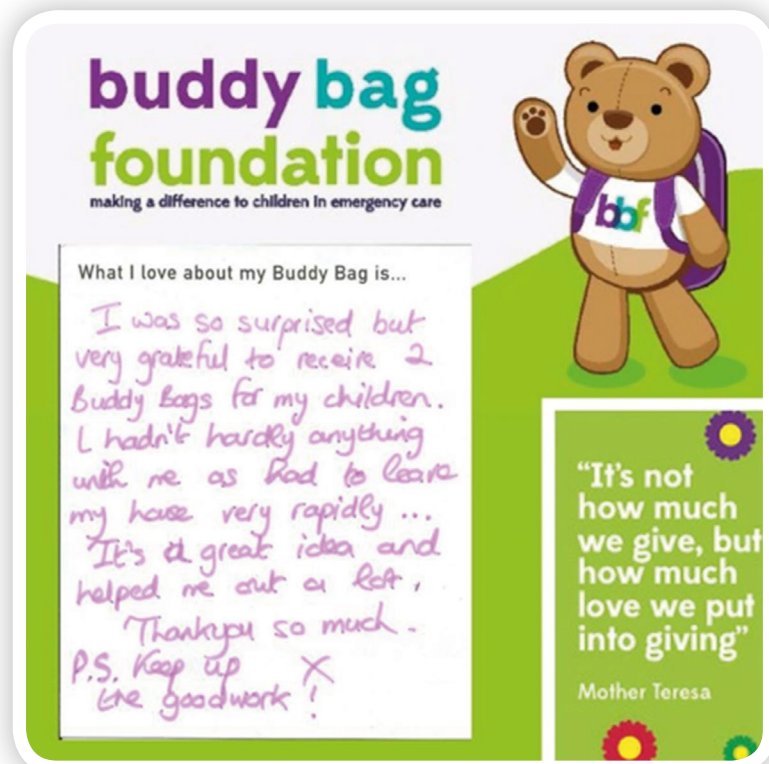
Each individual has an opportunity of donating their time and collecting approx. 6-8 items (approx. £8-£10) for a Buddy Bag.

Once items have been collected. The Team will be brought together to pack 30 Buddy Bags and deliver/courier to a womens refuge centre.



Testimonials

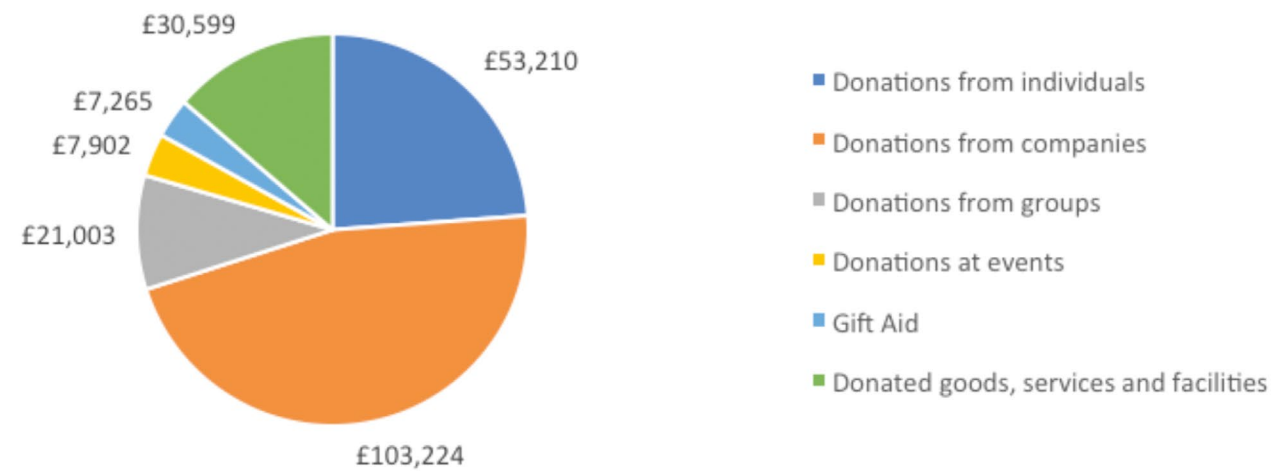
We continue to receive "Thank You" cards from the children who receive our Buddy Bags.
 "What I love about my Buddy Bag is ,,,,,,?"



Financial Review

Donations received

Total Donations Received 2019: £223,203



Income from donations and legacies increased by £77,288 (53%) from £145,915 in 2018 to £223,203 in 2019.

These cash donations of £192,604 (2018: £120,397) were received from individuals 28%, companies 53%, groups 11%, donations received at events 4.1% and Gift Aid claimable on donations 3.8%.

Donations received included:

Charity of the year	Gowling WLG	£48,503
	Sydney Mitchell	£4,500
Supermarket charity token drops	Tesco	£12,000
	John Lewis and Waitrose	£6,691
Groups	Rotary	£6,651
	Round Table	£1,000
	Lloyds Bank Foundation	£1,000

Many of the donations listed above are as a result of the work done by our ambassadors. Additional donations and fundraising by ambassadors includes:

Ambassador	Some of their fundraising	
Heather Gordon	Into Giving and WHN Solicitors	£8,109
Carrie Jahn	Lichfield District Council	£3,370
Sue Roberts	Various activities	£2,200
John Wilson	On top of Rotary groups above, other fundraising	£1,945

These amazing increases reflect the consistent effort made by the ambassadors, supporters and trustees.

Donated goods, professional services and donated facilities

The Charity is very grateful for the generous donations of goods, professional services and facilities it has received.

This year donations of goods, services and facilities totalled £30,559 (2018: £25,518), an increase of £5,081 (20%).

Non-cash donations received this year include:

Knitted toys	£11,499
Deliveries to refuges	£7,500
Pack a bag challenges, where volunteers provide everything that goes in the bags	£6,200
Newsletters	£1,000
Venues for Buddy Bag Brigades	£980
Blogs	£900

We thank the hundreds of volunteers who have each donated two hours of their time to support the Buddy Bag Brigades, and the many volunteers who generously hand knit so many cuddly toys.

We are grateful to all the organisations and individuals who generously sponsored and donated their professional services and venues.

Together, our work becomes possible.

As stated in the accounting policy note 1, donated goods, donated professional services and donated facilities are recognised as income in the Consolidated Statement of Financial Activities. The general volunteer time of the volunteers attending Buddy Bag Brigade events and other events is not recognised.

Other trading activities

Other trading activities comprise income from fundraising events, workshop events, bids and sales of toys.

This year income of £5,485 (2018: £6,098) has been specifically identified with fundraising activities organised by the charity, the trustees and the ambassadors.

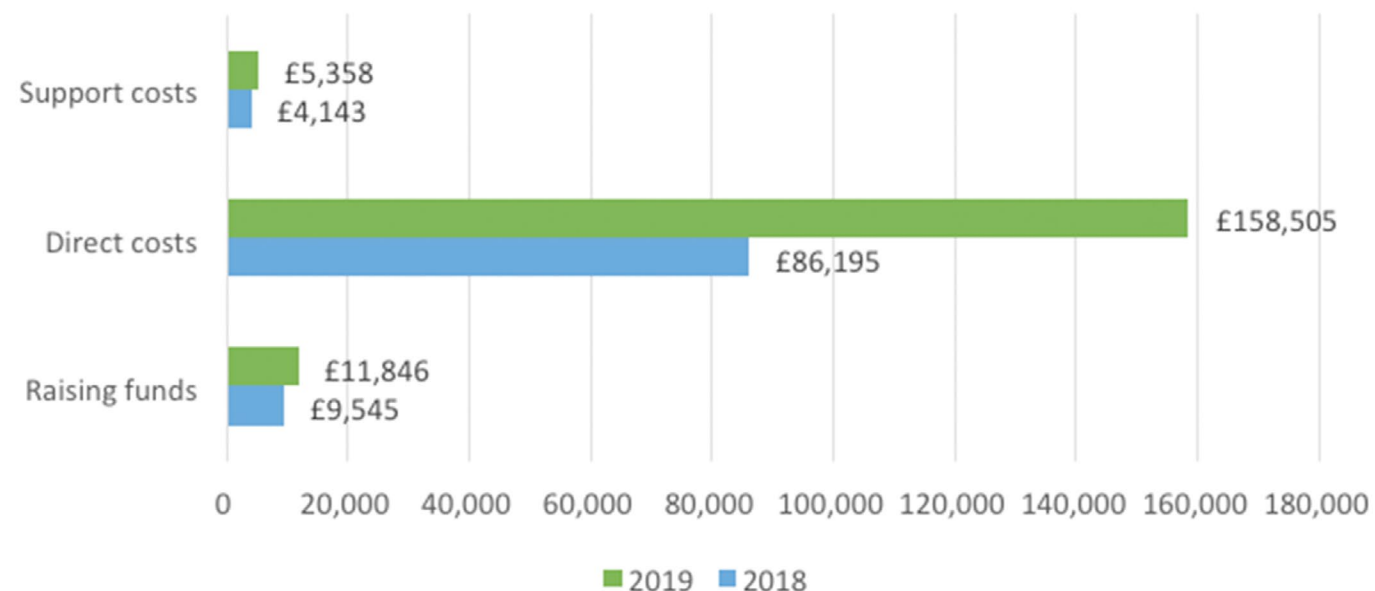
Workshops and team building events generated sales income of £5,115.

Successful bids for funding raised £3,000.

Following the receipt of the first own-brand Buddy Bears in June 2019, these are being sold on the website and at events and generated sales income of £905.

Expenditure

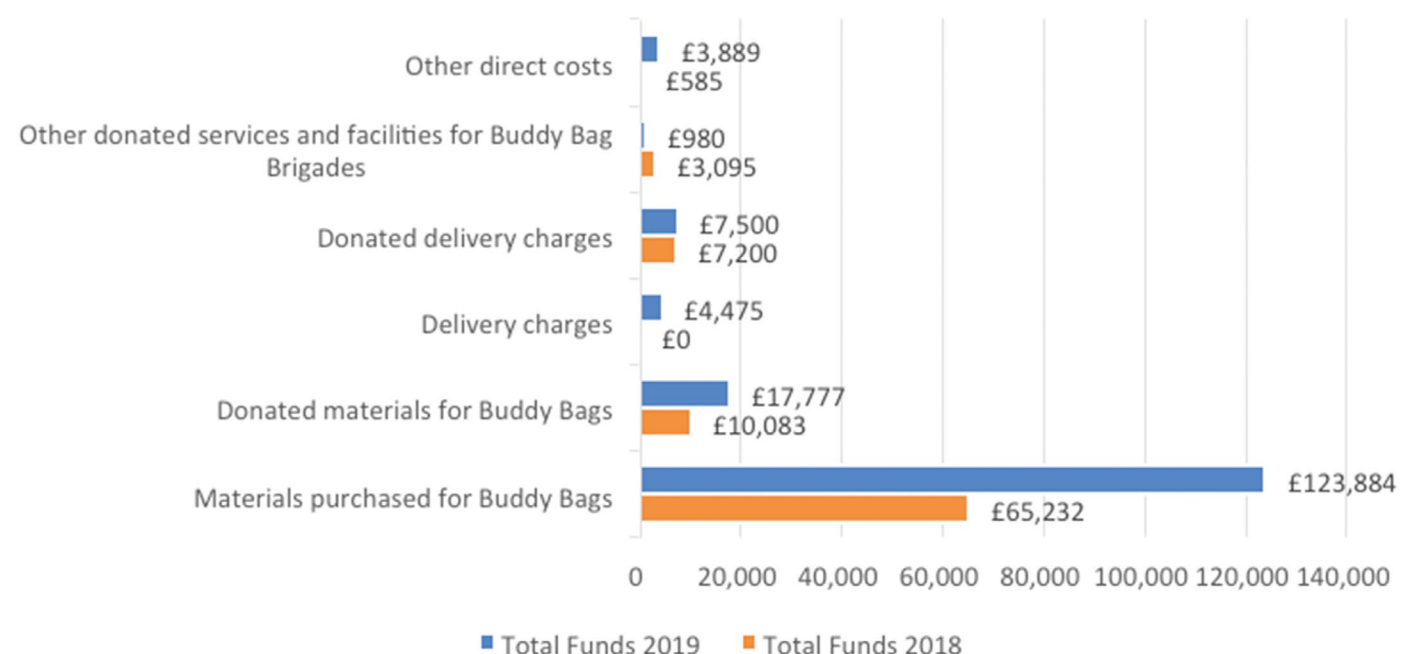
Expenditure



Expenditure on raising funds totalled 11,846 (2018: £9,545) of which in 2019 £10,416 were restricted funds. Unrestricted expenditure of £1,430 consisted of processing charges on income received £872; Just Giving membership fee £216 and the cost of the Buddy Bears sold for fundraising £342.

Direct costs are those costs incurred in creating the Buddy Bags and in supplying them to the children.

Cost of Buddy Bag Brigades 2019: £158,505



Buddy Bag Brigades are the events at which Buddy Bags are crafted. The 8,310 Buddy Bags this year (2018: 4,948 Buddy Bags) cost £158,505 (2018: £86,195) to produce, an increase of £72,310 (84%).

Karen Williams has been successful in sourcing the materials purchased for Buddy Bags at reduced cost. This is a continuous process to ensure reliability of deliveries and consistent quality of the items whilst ensuring value for money.

Support costs totalled £5,358 (2018: £4,143) of which £2,657 were covered by restricted funds. The expenditure from unrestricted funds of £2,701 comprised administrative services £1,843, storage costs for the materials before being used in Buddy Bag Brigades of £290 and insurance £568.

Restricted funds and angels

Live Love Laugh Limited generously makes donations to the Charity which are specifically designated to cover the administration costs. These are the restricted funds. In 2019 a new programme of Angels was successfully launched. The Angels make their donations specifically as restricted funds to cover the administration costs. This resulted in cash donations of £21,963 (2018: £2,017) and donated goods, services and facilities of £4,342 (2018: £950).

Gowling WLG gave £18,343 of their donations to restricted funds. Other cash donations by Angels include Sydney Mitchell £900. Live Love Laugh Limited and Karen Williams and Chris Williams donated £1,720.

Buddy Bear toys

In June 2019 the first batch of 5,048 own-brand Buddy Bear cuddly toys was received at a cost of £15,540. Most of the bears are packed into the Buddy Bags over a period of about 8 months. Some toy bears are used by the ambassadors in their fundraising events. Some Buddy Bears are sold for fundraising on the website and at events.

The Buddy Bears are ordered about half a year ahead of delivery. Payment terms are half at time of order and balance on arrival in the UK. The second order for Buddy Bears was placed in November 2019 for delivery in May 2020.

At the year end:

Stock of Buddy Bears £7,151 (2018: £nil)

Prepaid expenses of £17,033 included prepaid Buddy Bears not yet received £16,269 (2018: £nil)

Trade creditors of £8,910 included the 50% payable on delivery of Buddy Bears £8,135 (2018: £nil)

Financial position

The Trustees are very satisfied with the financial position at 31 December 2019. The charity had £129,167 at the bank (2018: £79,016).

The charity aims to hold unrestricted cash reserves sufficient to fund a minimum of three months of Buddy Bag Brigades. This is calculated as if the charity had to buy all facilities, goods and services at market values. This policy is regularly reviewed by the Trustees.

Financial prospects

When the 2020 COVID-19 pandemic arrived, the charity was in an excellent financial situation; with sufficient cash to finance the supply of 5,920 Buddy Bags.

In common with many other charities, income from donations and fundraising has fallen significantly since March 2020.

Because of the security the cash reserves gives, we plan to continue to increase the quantity of packing Buddy Bags towards our 2019 levels of between 720 and 900 per month for the rest of 2020.

Structure, Governance and Management

Governing document

The Buddy Bag Foundation is a Charitable Incorporated Organisation governed by its Constitution amended on 3 March 2018. It is registered with the Charity Commission in England and Wales, registered number 1164916.

Appointment of trustees

Trustees are appointed for a term of one year by a resolution passed at a properly convened meeting of the Charity trustees.

In selecting individuals for appointment as a Charity trustee, the Charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Trustee induction and training

New trustees receive a copy of the current version of the constitution and the latest Trustees' Annual Report and Unaudited Financial Statements.

The CEO gives individual induction to new trustees, informing them about the work of the Foundation, the expectations of the board and the decision-making processes.

Trustees and advisory board members are expected to provide evidence of relevant GDPR training within half a year of joining the board.

Trustees and advisory board members provide evidence of their DBS certificates every few years.

Organisation

The Constitution provides for a maximum number of 12 trustees serving on the board of trustees, which administers the charity. The board of trustees meets between four and six times per year. From its members, the board of trustees nominates a Chairman, a Chief Executive and a Treasurer, who manage the day-to-day operations of the charity.

The board of trustees is supported by an advisory board, who provide additional advice and expertise. They make non-binding recommendations to the board of trustees. Members of the advisory board are appointed by the board of trustees, who also have the authority, in its sole and absolute discretion, to remove any member of the advisory board at any time for any reason.

The Foundation does not have any employees and it does not provide any remuneration to any of its trustees, ambassadors or advisory board members.

Subsidiary company

Under the law of England and Wales, charities may engage in some types of trading, subject to restrictions.

To enable additional fundraising activities, (for example running fundraising balls and providing events on a commercial basis to businesses), on 8 June 2018 the Trustees incorporated The Buddy Bag Ltd as a wholly-owned subsidiary company limited by shares incorporated in England and Wales.

Related parties

Live Love Laugh Limited generously makes donations to the Charity which are specifically designated to cover the administration costs. Live Love Laugh Limited is controlled by Karen Williams (Trustee) and Chris Williams (Advisory Board Member).

Karen Williams (Trustee) and Chris Williams (Advisory Board Member) are the parents of Harry Williams (Trustee). The Charity's internal processes and procedures ensure that duties are segregated appropriately to trustees outside the Williams family.

Reference and Administrative Details

Charity registered number: 1164916

Registered address: 10 Grange Farm Court, Linton, Swadlincote, DE12 6RP

Trustees

The trustees serving during the year ended 31 December 2019 and since the year end were as follows:

		Date appointed/resigned as trustee
Chairman	H E Williams	
CEO	K S Williams	
Treasurer (until 31 March 2019)	Z Masood	Resigned 23 May 2019
Trustee Treasurer (from 31 March 2019)	N S Wallis	
Trustees	A Henry	Resigned 21 February 2019
	R Halbert	Resigned 9 April 2020
	B L Mabberley	Appointed 1 November 2019
	D M Whitbrook	Appointed 1 November 2019
	D M Fielding	Appointed 1 January 2020
	P Tranter	

Advisory board

The advisory board members serving during the year ended 31 December 2019 and since the year end were as follows:

		Date resigned from Advisory Board
Advisory Board	C M Williams	
	Dr K H Shaikh	Resigned 07 June 2019

By order of the board of trustees on 26 October 2020.
And signed on its behalf by:

H E Williams (Chairman)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE BUDDY BAG FOUNDATION

I report on the accounts for the period 01 January 2019 to 31 December 2019 set out on the following pages.

Respective responsibilities of trustees and examiner

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

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 the 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 statements 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 to comply with the accounting requirements of the 2011 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.

Dr Kamran Shaikh
Morgan Reach Chartered Certified Accountants
Morgan Reach House
136 Hagley Road
Birmingham
West Midlands
B16 9NX

Date: 26 October 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
INCOME					
Donations and legacies	2	196,898	26,305	223,203	145,915
Other trading activities	3	13,995	765	14,760	6,098
Investment income		40	0	40	17
Total income		210,933	27,070	238,003	152,030
EXPENDITURE					
Raising funds	4	1,430	10,416	11,846	9,545
Charitable activities					
Direct costs	5	158,505	0	158,505	86,195
Support costs	5	2,701	2,657	5,358	4,143
Total expenditure		162,636	13,073	175,709	99,883
NET INCOME/(EXPENDITURE)		48,297	13,997	62,294	52,147
RECONCILIATION OF FUNDS					
Total funds brought forwards		81,351	313	81,664	29,517
Total funds carried forwards		129,648	14,310	143,958	81,664

The notes form part of these financial statements

BALANCE SHEETS AS AT 31 DECEMBER 2019

		Group		Charity	
	Note	2019	2018	2019	2018
		£	£	£	£
FIXED ASSETS					
Investment	7	0	0	100	100
TOTAL FIXED ASSETS		0	0	100	100
CURRENT ASSETS					
Stock	9	7,251	100	7,251	100
Debtors	10	19,930	5,494	20,085	5,494
Cash at bank and in hand		129,167	79,016	129,012	79,016
Total current assets		156,348	84,610	156,348	84,610
Creditors falling due within one year	11	(12,390)	(2,946)	(12,490)	(3,046)
Net current assets		143,958	81,664	143,858	81,564
NET ASSETS		143,958	81,664	143,958	81,664
FUNDS OF THE CHARITY					
Restricted income funds	12	14,310	313	14,310	313
Unrestricted funds	12	129,648	81,351	129,648	81,351
TOTAL CHARITY FUNDS		143,958	81,664	143,958	81,664

The financial statements were approved by the Board of Trustees on 26 October 2020 and were signed on its behalf by:

H E Williams (Chairman)

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

a) Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK (FRS 102) (March 2018) and the Charities Act 2011.

The Buddy Bag Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary The Buddy Bag Ltd on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes to the charity's balance sheet.

This is the first time consolidated financial statements have been presented. Previously the Trustees have taken advantage of the exemption contained in Part 3, Chapter 3, S 19.(1)(a) of The Charities (Accounts and Reports) Regulations 2008 to not prepare group accounts. Until December 2019, the subsidiary was a dormant company. All prior year comparatives have been restated to show consolidated results and balances.

c) Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The consequences of the COVID-19 pandemic on the charity are regularly reviewed.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Donated goods, donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the volunteers attending Buddy Bag Brigade events and other events is not recognised. Refer to the trustees' annual report for more information about their contribution.

On receipt, donated goods, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

f) Investments

Investment in the subsidiary company is valued at cost less provision for impairment.

g) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

h) Taxation

The charity is exempt from tax on its charitable activities.

i) Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Donations from individuals	52,010	1,200	53,210	36,788
Donations from companies	82,461	20,763	103,224	46,849
Donations from groups	21,003	0	21,003	28,188
Donations at events	7,902	0	7,902	4,430
Gift Aid	7,265	0	7,265	4,142
Donated goods, services and facilities	26,257	4,342	30,599	25,518
	196,898	26,305	223,203	145,915

3 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Bids	3,000	0	3,000	0
Sales of Buddy Bear toys	905	0	905	0
Compensation received	255	0	255	28,188
Fundraising events	5,335	150	5,485	6,098
Sales of workshops and team building events	4,500	615	5,115	0
	13,995	765	14,760	6,098

4 Raising funds expenditure

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Processing charges on income received	872	0	872	1,133
Just Giving membership fee	216	0	216	216
Cost of Buddy Bear toys for fundraising	342	0	342	0
Trainers and facilitators for events	0	615	615	0
Fundraising event expenses	0	1,561	1,561	1
Donated goods, services and facilities for fundraising activities and events	0	2,700	2,700	2,650
Website and promotional expenses	0	5,421	5,421	4,414
Other expenses	0	119	119	1,132
	1,430	10,416	11,846	9,546

5 Cost of charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
DIRECT COSTS				
Materials purchased for Buddy Bags	123,884	0	123,884	65,232
Donated materials for Buddy Bags	17,777	0	17,777	10,083
Delivery charges	4,475	0	4,475	0
Donated delivery charges	7,500	0	7,500	7,200
Other donated services and facilities for Buddy Bag Brigades	980	0	980	3,095
Other direct costs	3,889	0	3,889	585
Cost of Buddy Bag Brigades	158,505	0	158,505	86,195

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
SUPPORT COSTS				
Storage costs	290	0	290	290
Administrative services	1,843	0	1,843	1,074
Insurance donated	409	0	409	350
Insurance	159	0	159	0
Donated services received and venues for trustee meetings	0	1,163	1,163	1,640
Other expenses	0	1,494	1,494	789
Support costs	2,701	2,657	5,358	4,143
Total charitable activities expenditure	161,206	2,657	163,863	90,338

6 Trustees' remuneration and benefits

The charity Trustees were not paid nor received any other benefits from employment with the charity in the year (2018: £nil).

Trustees' expenses

As part of fundraising activities, the charity has sold team-building workshops to businesses. Trainers and facilitators have been engaged to deliver these fundraising activities, which included 1 of the Trustees.

Trustee's expenses represent the cost of delivering one of these workshops, including travel and subsistence costs totalling £365 (2018: £nil) incurred by 1 Trustee (2018: nil).

7 Investment in subsidiary

The charity holds 100 shares of £1 each in its wholly owned trading subsidiary company The Buddy Bag Ltd which is incorporated in England and Wales. These shares are allotted, called up and fully paid. The company is going to be used for non-primary trading activities. Available profits are gift aided to the Charity. A summary of the results of the subsidiary is shown below:

	2019 £	2018 £
Other income		
Compensation received	155	0
Net profit	155	0
Amount gift aided to the charity	(155)	0
Retained in subsidiary	155	0

The assets and liabilities of the subsidiary were:

	31 Dec. 2019 £	31 Dec. 2018 £
Current assets	255	100
Current liabilities	(155)	0
Total net assets	100	100
Aggregate share capital and reserves	100	100

8 Parent charity

The parent charity's gross income and results for the year are disclosed as follows:

	2019 £	2018 £
Gross income	238,003	152,030
Net income	62,294	52,147

9 Stock

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Stock of Buddy Bears	7,151	0	7,151	0
Other stock	100	100	100	100
	7,251	100	7,251	100

10 Debtors

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Income receivable donations and Gift Aid	2,897	5,150	2,897	5,150
Prepaid expenses	17,033	344	17,033	344
Receivable from subsidiary company	0	0	155	0
	19,930	5,494	20,085	5,494

11 Creditors: Amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	8,910	2,926	8,910	2,926
Accruals and deferred income	250	0	250	0
Other creditors	3,230	20	3,230	20
Payable to subsidiary company	0	0	100	100
	12,390	2,946	12,490	3,046

12 Movement in funds

Current year

	At 1 January 2019	Income & Gains	Expenditure & Losses	At 31 December 2019
	£	£	£	£
Restricted Funds	313	27,070	(13,073)	14,310
Unrestricted Funds	81,351	210,933	(162,636)	129,648
Total Funds	81,664	238,003	(175,709)	143,958

Previous year

	At 1 January 2018	Income & Gains	Expenditure & Losses	At 31 December 2018
	£	£	£	£
Restricted Funds	2,538	5,367	(7,592)	313
Unrestricted Funds	26,979	146,663	(92,291)	81,351
Total Funds	29,517	152,030	(99,883)	81,664

Purpose of restricted funds

Restricted funds are donations and donated goods, services and facilities which are specifically designated to cover the administration costs.

13 Related party disclosures

Live Love Laugh Limited generously make donations to the Charity which are specifically designated to cover the administration costs. Live Love Laugh Limited is controlled by Karen Williams (Trustee) and Chris Williams (Advisory Board Member).

