

Charity Registration No. 1172948

Company Registration No. 10457781 (England and Wales)

COMPASSION ACTS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

COMPASSION ACTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

John Attwater
Patrick Evans
Allan Salisbury
Richard Vernon
Tracey Illingsworth
Vivian Cupit

Rev David Whitehouse (resigned 10/05/19)
Mr Stuart Harding (resigned 24/09/19)

Chief Executive Officer

Richard Owens

Charity number

1172948

Company number

10457781

Registered office

40 Hoghton Street
Southport
PR9 0PQ

Business address

Lakeside Church
Fairway
Southport
PR9 0LA

Independent examiner

J A Fell & Company
40 Hoghton Street
Southport
PR9 0PQ

Bankers

HSBC PLC
331 Lord Street, Southport. PR8 1NJ

COMPASSION ACTS LIMITED

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 12

COMPASSION ACTS LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and financial statements for the year ended 31 December 2019.

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], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objects of Compassion Acts Limited are for the public benefit:

- (a) Provide emergency food for adults and children within Trussell Trust's guidelines.
- (b) Debt advice through auspices of community money advice.
- (c) Debt management through auspices of Christians Against Poverty.
- (d) Food pantries for those on low incomes.
- (e) Benefits advice and act as advocates at tribunals.
- (f) Operate in Churches and Community Centres & help anyone regardless of their religious beliefs or none.

In this second full year of operation as a combined charity the focus has been to manage the united charity in a sustainable and financially secure way. The Trustees have developed working relationships and the appropriate policies and procedures necessary for stability going forward. The trustees met four times during the year to gather reports from the five projects and consider financial/strategic matters. The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

This is the second full financial year of the combined charity bringing debt centre and FoodBank operations together. Some highlights include:

- Approximately £490,000 was reclaimed during the year for clients in terms of their rightful welfare benefits claims. These specialist welfare benefits advisers have worked with around 300 individuals and families.
 - The focus this year was on continuing to provide debt advice (via CAP and CMA), welfare advice, emergency food distribution through 4 FoodBank distribution centres, across each weekday in Southport & Ainsdale. This Foodbank service is operated under Trussell Trust model.
 - 53 Tonnes of food was donated to us by the public via supermarkets, simply through dropping off or via collections in our partner churches.
 - 5131 people were fed through the year comprising 3107 adults and 2024 children
 - Successful supermarket collections over 3 days was held in November at Tesco Southport yielding almost 5 tonnes. A smaller but equally productive collection was helped at ASDA Southport in June.
 - The Food Pantry service grew and developed during the year with over 35 members receiving food from Grace Baptist Church centre each week. Plans were formulated for new Pantry provision at a local Primary School and a Church in different parts of town. This will be progressed in 2020.
 - Our Community Money Advice (CMA) service helped 20 clients through their debt and financial issues.
 - The CAP Debt Centre engaged in many activities during this year, under the long serving manager. He left us in September 2019. At a similar time CAP paused taking new clients at a national level.
 - Following a multi-year bid to the Trussell Trust we were able to employ a part time Chief Executive, Richard Owens, in May 2019.
 - It was decided in July 2019 that the charity's original name "Southport & Formby Churches Debt Centre Ltd" was a barrier to effective communication and fundraising. It was decided by the board to change our name to "Compassion Acts" which we feel reflects our values and ambitions.
 - The new name was launched in September 2019 and widely publicised around the town, in particular with our many supporters in the churches.
-

COMPASSION ACTS LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2019

- Fundraising has been a priority with grant applications and an increase in personal donations. The charity has been able to transfer out food stocks as donations to neighbouring South Sefton Foodbank (also Trussell Trust) and also local Southport independent charities.

In the autumn of 2019 the Chief Executive advised the board on a restructuring plan. This led to the role of full time Foodbank Manager being made redundant and our long serving employee leaving our charity. A new structure was put in place, and posts advertised at the end of the year. The new teams are now:

Poverty Reduction - the management of the Foodbank, Food Pantry, warehouse and volunteers, plus the new 'Next Steps' project

Advice & Support – the development of the welfare benefits advice volunteers and the Community Money Advice service. The CAP Debt Centre is also linked in with this wider team to enhance client support although is managed on behalf of the churches, in a distinct way.

Risk Management

Any major risks have been identified and recorded by the Trustees with professional advice taken as required.

There is a regular annual review process undertaken and recorded.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half-yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves

Safeguarding

A designated officer has been appointed and policy/procedures adopted. Training for staff and volunteers has been arranged and it was well attended. The policy and documentation will be reviewed annually.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were: Rev Patrick Evans, Rev David Whitehouse (resigned 10/05/19) Rev Richard Vernon, Mr John Attwater, Mr Allan Salisbury, Mr Stuart Harding (resigned 24/09/19) Ms Tracey Illingsworth, Ms Vivian Cupit

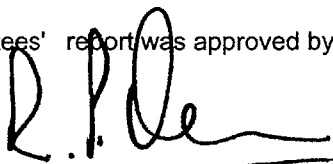
New Trustees are introduced to the charity procedures at the first Trustees Meeting after being approved. Financial procedures are then introduced by the Treasurer. Data protection procedures are explained in detail. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

There are 8 trustees drawn from across a range of churches in the area to provide a balance of skills and backgrounds to enrich the governance of the charity. On a day to day basis one of the trustees (Allan Salisbury) acted as executive director, in the first months of 2019 until the new Chief Executive Officer was inducted into post.

There were 4 paid staff during this period and over 120 volunteers. The latter of whom do the vast majority of work within the charity for the beneficiaries.

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

Signed.....



Rev. Richard Vernon
Dated: 5th June 2020

COMPASSION ACTS LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF COMPASSION ACTS LIMITED

I report to the trustees on my examination of the financial statements of Compassion Acts Limited (the charity) for the year ended 31 December 2019.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

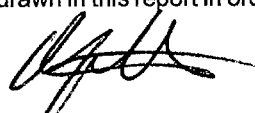
Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.



O J Grills FCA
J A Fell & Company
Chartered Accountants
40 Hoghton Street
Southport
PR9 0PQ

Dated: 9/9/2020

COMPASSION ACTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Restricted funds 2019 £	Total 2018 £
	Notes		
<u>Income from:</u>			
Donations and legacies	2	116,752	83,497
Charitable activities	3	8,565	6,158
Other trading activities	4	101	1,042
		<hr/>	<hr/>
Total income		125,418	90,697
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	5	106,683	88,385
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		18,735	2,312
Fund balances at 1 January 2019		70,668	68,356
		<hr/>	<hr/>
Fund balances at 31 December 2019		89,403	70,668
		<hr/>	<hr/>

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

All income and expenditure derive from continuing activities.

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

COMPASSION ACTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	9		3,006		6,322
Current assets					
Stocks	11	30,010		24,868	
Debtors	12	1,466		685	
Cash at bank and in hand		58,040		50,211	
		89,516		75,764	
Creditors: amounts falling due within one year	13	(3,119)		(4,193)	
Net current assets			86,397		71,571
Total assets less current liabilities			89,403		77,893
Income funds					
Restricted funds			89,403		77,893
Unrestricted funds			-		-
			89,403		77,893


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 5th June 2020


.....
John Attwater
Trustee

Company Registration No. 10457781

COMPASSION ACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Compassion Acts Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 40 Hoghton Street, Southport, PR9 0PQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). 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 financial statements are rounded to the nearest £.

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

1.2 Going concern

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

1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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

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

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

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

COMPASSION ACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

1.5 Tangible fixed assets

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

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

Fixtures and fittings	25% straight line
Computers	25% straight line
Motor vehicles	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 year.

1.6 Impairment of fixed assets

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

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

1.7 Stocks

Stocks represent food held by the Foodbank & Food Pantry. Stocks are stated at an average value provided by the Trussel Trust.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

COMPASSION ACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Donations and legacies

	Restricted funds	Total
	2019 £	2018 £
Donations and gifts	57,804	34,587
Grant	53,806	42,645
Donated goods and services	5,142	5,321
Other	-	944
	<u>116,752</u>	<u>83,497</u>

3 Charitable activities

	Members' Contributions 2019 £	Members' Contributions 2018 £
Food Pantry	<u>8,565</u>	<u>6,158</u>

4 Other trading activities

	Restricted funds	Total
	2019 £	2018 £
Fundraising events	<u>101</u>	<u>1,042</u>

COMPASSION ACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Charitable activities

	Foodbank	Pantry	CMA Debt Centre		Total 2019	Total 2018
	2019 £	2019 £	2019 £	2019 £	£	£
Fundraising costs	1,253	83	-	-	1,336	-
Subs & fees	395	-	1,003	6,000	7,398	9,304
Food purchases	562	3,213	-	-	3,775	1,609
Pantry set-up	-	-	-	-	-	193
Training	1,483	-	1,026	-	2,509	220
Clothes & signs	484	145	-	-	629	880
Kitchen	-	96	-	-	96	354
	<u>4,177</u>	<u>3,537</u>	<u>2,029</u>	<u>6,000</u>	<u>15,743</u>	<u>12,560</u>
Share of support costs (see note 6)	58,844	9,698	9,024	11,784	89,350	74,685
Share of governance costs (see note 6)	<u>1,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,590</u>	<u>1,140</u>
	<u>64,611</u>	<u>13,235</u>	<u>11,053</u>	<u>17,784</u>	<u>106,683</u>	<u>88,385</u>

COMPASSION ACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Support costs

	Support costs £	Governance costs £	2019 £	2018 £
Staff costs	66,086	-	66,086	43,457
Depreciation	3,316	-	3,316	4,594
Warehouse/office costs	9,420	-	9,420	7,500
Insurance	1,961	-	1,961	2,157
Repairs & maintenance	2,544	-	2,544	846
Motor/travel	1,822	-	1,822	1,794
PPS	1,117	-	1,117	379
Telephone	1,022	-	1,022	1,241
IT costs	1,904	-	1,904	817
Bank charges	-	-	-	19
Sundry	1,658	-	1,658	1,484
Expenses	-	-	-	10,397
Trailer sale proceeds	(1,500)	-	(1,500)	10,397
Independent Examiners fee	-	1,590	1,590	1,140
	<u>89,350</u>	<u>1,590</u>	<u>90,940</u>	<u>75,825</u>
Analysed between Charitable activities	<u>89,350</u>	<u>1,590</u>	<u>90,940</u>	<u>75,825</u>

Governance costs includes an accrual to J A Fell of £1,500 for independent examiners fees.

7 Trustees

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

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	<u>4</u>	<u>4</u>
Employment costs	2019 £	2018 £
Wages and salaries	<u>66,086</u>	<u>43,457</u>

No employee earned over £60,000 throughout the year.

COMPASSION ACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Tangible fixed assets

	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2019	18,696	2,326	7,944	28,966
Disposals	-	-	(3,000)	(3,000)
At 31 December 2019	18,696	2,326	4,944	25,966
Depreciation and impairment				
At 1 January 2019	16,650	1,141	4,854	22,645
Eliminated in respect of disposals	-	-	(3,000)	(3,000)
Depreciation charged in the year	1,715	365	1,236	3,316
At 31 December 2019	18,364	1,506	3,090	22,960
Carrying amount				
At 31 December 2019	332	820	1,854	3,006
At 31 December 2018	2,047	1,185	3,090	6,322

10 Financial Instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,466	685
Carrying amount of financial liabilities		
Measured at amortised cost	3,119	3,616

11 Stocks

	2019	2018
	£	£
Raw materials and consumables	30,010	24,868

12 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	1,466	685

COMPASSION ACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	-	577
Other creditors	1,619	2,476
Accruals and deferred income	1,500	1,140
	<u>3,119</u>	<u>4,193</u>

14 Analysis of net assets between funds

	2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:			
Tangible assets	3,006	3,006	6,322
Current assets/(liabilities)	86,397	86,397	64,346
	<u>89,403</u>	<u>89,403</u>	<u>70,668</u>

15 Related party transactions

None of the trustees have been paid any remuneration or received any other benefits from the Charity.