

WOOD STREET MISSION
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANY NUMBER: 03849322

REGISTERED CHARITY NUMBER: 1078337

WOOD STREET MISSION

TRUSTEES REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS	PAGE
Trustees and administrative details for the year ended 31 December 2019	1 - 2
Trustees report for the year ended 31 December 2019	3 - 7
Independent examiners' report to the Trustees	8
Statement of financial activities for the year ended 31 December 2019	9
Balance sheet as at 31 December 2019	10
Cashflow statement for the year ended 31 December 2019	11
Notes to the financial statements for the year ended 31 December 2019	12 - 24

WOOD STREET MISSION

TRUSTEES AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2019

MEMBERS OF THE BOARD OF TRUSTEES

Chairman

R T Race BSc Hons Chartered FCSI ASIP

Other Members

M N G Evans BSc FCA
Mrs N D Guy
C A Hadfield FRICS
Ms V Jones
Ms J Watson
Mrs E Willder FCMA CIS (Affiliated)
Mrs G Winter BA

MANAGER

Mr D Lynch

REGISTERED OFFICE

Wood Street Mission
26 Wood Street
Off Deansgate
Manchester
M3 3EF

BANKERS

National Westminster Bank Plc
Manchester City Centre Branch
19 Market Street
Manchester
M1 1WR

SOLICITORS

DWF LLP
1 Scott Place
2 Hardman Street
Manchester
M3 3AA

WOOD STREET MISSION

TRUSTEES AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2019

INVESTMENT MANAGERS

Brewin Dolphin Limited
1 The Avenue
Spinningfields Square
Manchester
M3 3AP

INDEPENDENT EXAMINERS

Hurst Accountants Limited
Chartered Accountants and Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD

WOOD STREET MISSION

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees of the charitable company present the financial statements for the year ended 31 December 2019. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Along with the families we help support, we at Wood Street Mission, have suffered from the effects of the coronavirus pandemic. In March 2020, we closed most of our operations, helping only those in serious crisis who had nowhere else to turn for support. We are now beginning to see the long term impact that the pandemic is having on children and their families. Our support and practical help is even more important as we witness the impact, lockdowns and other restrictions are having on families. We therefore need your support even more at the present time to help those who continue to suffer.

PRINCIPAL ACTIVITIES IN THE PUBLIC INTEREST

The charity was founded in 1869. The aim of the charity is to provide services to the community with a particular emphasis on mitigating the effects of poverty and deprivation on children, young people and their families in Manchester and the surrounding area.

Our vision is a world where no child in Manchester or Salford is living in poverty.

Our mission is to offer practical help to alleviate the effect of poverty on Manchester and Salford families.

We will do this through the following strategic objectives:

- Increase our impact in the delivery of frontline services.
- Use our assets and resources to develop a sustainable organisation responsive to the needs of local families.
- Develop our work to improve the life chances of children in Manchester and Salford and break the cycle of poverty.
- Modernise our services and ways of working so they are in line with best practice.
- Increase our profile in order to generate funds, attract supporters and build relationships.

In planning and delivering our services and activities the Trustees and management of Wood Street Mission confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Wood Street Mission's charitable objective is the relief of persons who are in need hardship or distress and without in any way limiting the generality of the foregoing in particular those persons resident in the former administrative areas of Manchester and Salford.

Wood Street Mission's activities as described in this report are considered to meet the public benefit requirement as specified in the Charities Act 2011.

RESULTS

The results for the year and their impact on the charity's funds are set out in detail on page 9. The net movement on funds was a deficit of £19,478 (2018: surplus of £74,895). As at 31 December 2019, the charity had total funds of £2,559,588 (2018: £2,579,066) including cash of £72,227 (2018: £199,380).

REVIEW OF ACTIVITIES

As a long standing children's charity, started by local businessman Alfred Alsop in 1869, Wood Street Mission aims to provide practical help to families living in Manchester and Salford in order to alleviate the day- to- day impact of poverty and to improve children's life chances.

Indeed 2019 saw the 150th anniversary of the organisation and, whilst the longevity of the charity is undoubtedly impressive, the reality is that 150 years after its inception, Wood Street Mission continues to deal with the negative effects that struggling families endure on a daily basis. A report commissioned in 2019 by The End Child Poverty Coalition stated that there were an estimated 76,000 children living in poverty throughout the cities of Manchester and Salford.

WOOD STREET MISSION

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

REVIEW OF ACTIVITIES (*CONTINUED*)

All the families that receive assistance from Wood Street Mission are referred initially by professionals that provide support for them. This includes Health Visitors, Community Nurses, Social Workers, Education Support, and Teachers. After the initial referral has been received, families are then able to self-refer for all the projects that we undertake for a twelve month period, after which those families that are still in need of our help must once again be re-referred by a support worker who has knowledge and understanding of the particular family's circumstances, in order that they may receive a continuation of the support packages that Wood Street Mission offers.

The Family Basics project helped 1,394 families, some 3,784 children, with a variety of items, including children's clothing, bedding, baby equipment and toiletries. When attending Family Basics, each parent/guardian can choose the items they wish to take (each family is allocated a number of points, with each item having a value in points). All of the goods distributed to families, indeed all the Wood Street Mission projects, are delivered free to families.

We have continued with our policy, introduced in 2018, of adding extra much needed items to this project by purchasing supplies from local companies whenever it is feasible to do so. These are items that are in high demand of which we do not always receive enough donations at the times of year when they are most needed. The purchasing policy enables us to deliver as much help to those families referred to us as we possibly can through a strategic purchasing plan.

The Christmas project (an area of our work that has run throughout the organisation's history) saw us provide over 11,000 new toys and gifts for some 1,425 families, a total of 3,684 children. The toy donations received from our donors were of a high quality which enabled all the families accessing this project to experience this special time of the year as others do.

Having reviewed some of our projects, 2019 saw us make some changes in order that we may deliver our work in a more targeted manner which will hopefully have a more beneficial impact in improving children's life chances.

To this effect, we decided not to organise an Easter egg appeal and instead concentrate our resources on improving our commitment to make books more accessible to children living in poverty. As a result, we asked donors to donate new books, rather than donating Easter eggs. It's pleasing to report that the appeal was a great success, with over £5,000 worth of new books being donated to the appeal!

We then in turn launched our **Books Forever project**, which sees us continuing to distribute books through our Book Clubs, as well as providing community venues with book shelves which we stock and re-stock with books on a regular basis. At the same time, we introduced another strand of the project, Book Roadshows, which involve working directly with schools to enable us to distribute books, both new and used, to children living in areas of high deprivation.

Through the Roadshows, we were able to increase our presence in certain areas of Manchester and Salford where we have been under-represented recently. We believe that increasing our presence in these areas will lead to us having more engagement as an organisation with some of the more harder to reach families.

Another project that was introduced was **Childhood Experiences**, which enables children to take part in activities which they may ordinarily be precluded from. With this in mind, working in partnership with fellow organisations from the voluntary sector, groups of children visited and took part in various activities, which included:

- Trips to the theatre/cinema
- Manchester Museum
- Indoor skateboarding park
- Climbing centre

This project enables children to broaden their experiences and, through this, hopefully improve their life chances.

Our **Smart Start** project (school uniform/school accessories/new school coats) continues to provide much needed support to assist children not only to access education but also to encourage them to participate fully in proceedings once they are there.

Through this project, we were able to provide 1,321 families, some 3,191 children, with new school uniform packages at the start of the new school year in September. Our commitment to this project remains strong as, in the long term, education plays a valuable part in breaking the cycle of poverty.

WOOD STREET MISSION

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

REVIEW OF ACTIVITIES (*CONTINUED*)

Future Plans

We will continue to increase the amount of work we do directly with schools through our Books Forever project, enabling us to target more difficult to reach families and encouraging the teaching and support staff of those schools to make referrals to us on behalf of those families most in need of our services.

We continue to participate on the steering group of Read Manchester, part of the National Literacy Trust.

Wood Street Mission has an increasingly important role in raising the awareness of child poverty. Therefore, as one of our conduits to raising this awareness, we have again increased our social media output. This has resulted in us now having 4,561 Twitter followers with 9,669 followers on Facebook. Social media continues to be an important tool in the way in which we communicate with both our donors and families and plays an ever increasing role in engagement with our corporate supporters.

The organisation is also in the process of exploring the possibility of developing a satellite Family Basics operation in an outlying area of either Manchester or Salford.

Staff and volunteers

As ever, we have been overwhelmed by the amazing support we received from the community to continue as well as to develop our work supporting families. This includes thousands of individual supporters who donate, raise funds, volunteer and help spread the word about our work, as well as the schools, churches and companies who collect, fundraise and donate their time through volunteering to whom we are hugely grateful.

Although we would like to, there are too many supporters to mention individually. However, we are particularly grateful for the generosity of those who have left gifts in their Will and in memory of others.

The number of volunteer hours provided by our corporate partners, assisting with the Family Basics, Book Clubs and Christmas projects totalled 2,814. This, combined with the number of hours our regular team of volunteers contributed, meant that we received 3,714 hours of volunteer support, with an estimated value of approximately £33,000.

During the year, the staff once again worked tirelessly to provide struggling families with as much support as was possible. The Board of Trustees wishes to put on record its appreciation and thanks for the huge commitment the staff have shown towards the work of the charity.

The staff, volunteers and trustees all remain committed to working to improve the life chances of local children.

INVESTMENT POLICY AND RETURNS

Surplus resources are invested until they are required for charitable purposes, having taken into account immediate requirements by reference to the charity's performance and projected cashflow for the next six months. The charity has adopted a total return policy for its investment income. The Trustees regularly review the charity's investments in consultation with the Investment Managers within an investment objective and agreed risk profile.

KEY RISKS AND UNCERTAINTIES

The Board has established policies and systems to mitigate risks, which are reviewed each year to ensure they still meet the needs of the Charity.

The principle risks of the Charity are:

- Reputational risk
- The risk of safeguarding incidents
- Investment risk including liquidity and performance

GOING CONCERN

The coronavirus pandemic has placed a significant strain on the Charity's resources in 2020. However, the Trustees have reviewed the likely demands which will be placed on the Charity and have reasonable expectation it has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

WOOD STREET MISSION

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

RESERVES POLICY

The charity has substantial reserves of £2,559,588 (2018: £2,579,066), but not all are directly available to spend on its charitable activities. They include:

- Reserves tied up in buildings, other fixed assets and working capital.
- Building and investment revaluation surpluses.
- Restricted reserves which are only available for the purposes they were donated.
- Designated funds which are set aside for future projects, the likely timing of expenditure of which is not yet known.
- Accumulated depreciation on fixed assets which is retained as a sinking fund for replacements.
- Twelve month's operating costs of the charity.

Excluding these reserves, the Trustees regard all remaining reserves available to spend on charitable activities. At 31 December 2019 this amounted to approximately £50,000 (2018: £148,000).

STRUCTURE, GOVERNANCE AND MANAGEMENT

STATUS OF CHARITY

The Charity is a registered Charity and is incorporated under the Companies Act as a company limited by guarantee. The guarantee of each member is limited to £10 per Trustee, who are the same people as the voting members of the charitable company and is payable in the event of the Charity being wound up and being unable to meet its debts and liabilities. Wood Street Mission is overseen by a Board of Trustees, which meets approximately ten times a year to supervise the operational activities undertaken by the office staff. One third of the Board retire each year and are eligible for reappointment at the charity's General Meeting.

DIRECTORS

The Directors, who are also the Trustees, who served during the year are listed on page 1. The day to day running and operation of Wood Street Mission is delegated to the Manager. Trustee meetings are held every two months at which Trustees approve items that are their sole responsibility, for example approving annual budgets and the Trustees Annual Report and Accounts.

INDUCTION AND TRAINING OF TRUSTEES

New Trustees are introduced to the charity, usually by existing Trustees, and given a full background to the charity's history and current work with families in Manchester and Salford. The manager and other members of staff provide a tour of the facilities and, together with the information on the website, new Trustees have a good grounding in the charity's activities.

All Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

SUB COMMITTEES OF THE BOARD

There are two subcommittees of the Board, these being the Finance Committee and the Investment Committee. During the financial year to 31 December 2019 these committees had the following members:

Finance Committee	R T Race BSc Hons Chartered FCSI ASIP M N G Evans BSc FCA C A Hadfield FRICS Mrs E Willder FCMA CIS (Affiliated)
Investment Committee	M N G Evans BSc FCA C A Hadfield FRICS Mrs E Willder FCMA CIS (Affiliated)
Remuneration Committee	Ms J Watson Mrs N D Guy

WOOD STREET MISSION

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

STAFF PAY AND REMUNERATION

Remuneration of the key management personnel is agreed by the Board after review

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Wood Street Mission for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the profit and loss of the charitable company for the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees of a charity must, in determining how amounts are presented within items in the profit and loss account and charity balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

By order of the Board

.....
R T Race
Chairman

Date: 7 December 2020

WOOD STREET MISSION

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES ON THE UNAUDITED ACCOUNTS OF WOOD STREET MISSION

We report on the financial statements of the company for the year ended 31 December 2019 set out on pages 9 to 24.

This report is made solely to the company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the company's Trustees those matters that we are required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's Trustees as body, for our work or this report.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006. The charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') and that an independent examination is needed. We are qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied ourselves that the charity is not subject to audit under part 16 of the Companies Act 2006 and is eligible for independent examination, it is our 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 our attention.

BASIS OF INDEPENDENT EXAMINERS' REPORT

Our 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 statement below.

INDEPENDENT EXAMINERS' STATEMENT

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

- (1) which gives us reasonable cause to believe that in any material respect the requirements:
 - accounting records have not been kept in accordance with section 386 of the Companies Act 2006;
 - the accounts do not accord with such records;
 - where accounts are prepared on an accruals basis, whether they fail to comply with relevant accounting requirements under section 396 of the Companies Act 2006, or are not consistent with the Charities SORP (FRS 102)
 - to keep accounting records in accordance with section 130 of the Charities Act; and
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Helen Besant-Roberts
Hurst Accountants Limited
Independent Examiners and Chartered Accountants
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD

Date:

WOOD STREET MISSION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019 (INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)

		Year ended 31 December 2019			Year ended 31 December 2018		
		Unrestricted funds £	Restricted funds £	Total £	Unrestricted funds £	Restricted funds £	Total £
Income and endowments from							
Donations, gifts and legacies	3	385,704	197,072	582,776	539,750	248,346	788,096
Investments	4	35,390	-	35,390	32,833	-	32,833
Other Income		1,386	-	1,386	2,041	3,488	5,529
Total Income and endowments		422,480	197,072	619,552	574,624	251,834	826,458
Expenditure on							
Charitable activities		435,022	239,489	674,511	358,823	227,729	586,552
Governance costs		92,931	-	92,931	77,532	-	77,532
Total Expenditure	5	527,953	239,489	767,442	436,355	227,729	664,084
Net (expenditure)/ income before other recognised gains		(105,473)	(42,417)	(147,890)	138,269	24,105	162,374
Other recognised gains							
Net gains/(losses) on investments	9	128,412	-	128,412	(87,479)	-	(87,479)
Net movement on funds		22,939	(42,417)	(19,478)	50,790	24,105	74,895
Reconciliation of funds							
Total funds brought forward		2,519,346	59,720	2,579,066	2,468,556	35,615	2,504,171
Total funds carried forward	15	2,542,285	17,303	2,559,588	2,519,346	59,720	2,579,066

The above all relate to continuing operations.

There are no other recognised gains or losses other than those noted above and therefore no separate statement of total recognised gains and losses has been prepared.

The notes on pages 12 to 24 form part of the financial statements.

WOOD STREET MISSION**BALANCE SHEET AS AT 31 DECEMBER 2019**

COMPANY NUMBER: 03849322

	Note	31 December 2019 £	31 December 2018 £
Fixed assets			
Tangible assets	8	1,171,735	1,208,574
Investment – securities	9	1,262,384	1,137,465
		<hr/>	<hr/>
		2,434,119	2,346,039
		<hr/>	<hr/>
Current assets			
Stock	10	-	26,000
Debtors	11	72,620	20,652
Cash at bank and in hand	12	72,227	199,380
		<hr/>	<hr/>
		144,847	246,032
Current liabilities			
Creditors: amounts falling due within one year	13	(19,378)	(13,005)
		<hr/>	<hr/>
Net current assets		125,469	233,027
		<hr/>	<hr/>
Net assets		2,559,588	2,579,066
		<hr/>	<hr/>
The funds of the charity			
Unrestricted funds		1,786,286	1,805,729
Designated funds		523,499	475,117
Revaluation reserve		232,500	238,500
		<hr/>	<hr/>
Unrestricted funds	15b	2,542,285	2,519,346
Restricted funds	15c	17,303	59,720
		<hr/>	<hr/>
Total charity funds at 31 December 2019	15	2,559,588	2,579,066
		<hr/>	<hr/>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 9 to 24 were approved by the Board of Trustees and were signed on its behalf by:

.....
R T Race

Date: 7 December 2020

.....
M N G Evans

Date: 7 December 2020

The notes on pages 12 to 24 form part of the financial statements.

WOOD STREET MISSION

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANY NUMBER: 03849322

	Note	31 December 2019 £	31 December 2018 £
Cashflows from operating activities			
Net (expenditure)/income for the year		(19,478)	74,895
Depreciation		40,073	42,641
(Gains)/losses on investments		(128,412)	87,479
Decrease/(increase) in stock		26,000	(26,000)
(Increase) in debtors		(51,968)	(4,282)
Increase in creditors		6,373	2,889
		<hr/>	<hr/>
Net cash (used)/generated from operating activities		<hr/> (127,412) <hr/>	<hr/> 177,622 <hr/>
Cashflows from investing activities			
Purchase of tangible fixed assets		(3,234)	(5,346)
Purchase of investments		(461,420)	(177,504)
Proceeds on sale of investments		464,913	103,204
		<hr/>	<hr/>
Net cash generated/(used) in investing activities		<hr/> 259 <hr/>	<hr/> (79,646) <hr/>
(Decrease)/increase in cash and cash equivalents in the year		<hr/> (127,153) <hr/>	<hr/> 97,976 <hr/>
Cash and cash equivalents at the beginning of the year		199,380	101,404
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	12	<hr/> 72,227 <hr/>	<hr/> 199,380 <hr/>

1. ACCOUNTING POLICIES

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 and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Wood Street Mission 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.

Company Status

The charity is limited by guarantee and incorporated in England and Wales, registered number 03849322. The address of its registered office is Wood Street Mission, 26 Wood Street, Off Deansgate, Manchester, M3 3EF.

In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per Trustee who are the same people as the voting members of the charitable company.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified to include the revaluation of land and buildings and investments.

Basis of accounting for income and expenditure

All incoming and outgoing resources are accounted for in the Statement of Financial Activities and include:

Incoming resources

(a) Investment income

Investment income is accounted for when receivable.

(b) Legacies and donations

Legacies and donations are accounted for when received by the charity.

(c) Gifts in kind

Gifts in kind are included as an incoming resource in the Statement of Financial Activities at market value, except where it is difficult to ascribe a value to the benefit received by the charity.

Resources expended – costs

(a) Charitable expenditure

Charitable expenditure includes all expenditure directly related to the objectives of the charity. Where expenditure is incurred on several activities, it is apportioned based on the percentage of that resource utilised.

(b) Management and Administration of the Charity's funds

Management and Administration costs represent expenditure incurred in the management of the charity's assets and compliance with constitutional and statutory requirements.

Taxation

The charity has been granted exemption by the Commissioners of the Inland Revenue from taxation on its charitable activities under the provisions of Section 505 of the Income and Corporation Taxes Act 1988. Irrecoverable value added tax is included in the cost of the item to which it relates.

WOOD STREET MISSION

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

1. Accounting policies (continued)

Depreciation

All tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided using the following rates which reflect the anticipated useful lives of the assets after allowing for estimated residual values:

Buildings	2%	straight line
Furniture fixtures and fittings	10%-20%	straight line/reducing balance
Computer equipment	25%-33⅓%	straight line
Motor vehicles	33⅓%	straight line

Investment securities

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently restated at market value. Realised and unrealised gains and losses are shown separately in the heading 'net gains/losses on investment' in the Statement of Financial Activities (incorporating the income and expenditure account).

Stock

Donated goods for distribution to beneficiaries are measured at their fair value at the time of their receipt.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Funds

(a) Restricted

Represents funds where the use has been restricted by the donor or by the terms of an appeal.

(b) Designated

Represents funds earmarked for future projects.

(c) Unrestricted

Represents the general fund of the charity which receives all other income and to which Direct Charitable Expenditure not covered by Restricted funds is charged together with Indirect Expenditure.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability.

WOOD STREET MISSION

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

1. Accounting policies (continued)

Pensions

The charity operates a defined contributions pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity in the year.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where their judgements and estimates have been made include:

Tangible fixed assets

The management of the charity exercises judgement in estimating the useful economic life of the freehold property, fixtures and fittings, computer equipment and motor vehicles. The net book value of these assets is disclosed in note 8.

Accruals

Accruals are entered in the financial statements based on management expectations, taking into account various business and economic factors relevant to each individual item. The total value of accruals is disclosed in note 13.

3. INCOME FROM DONATIONS, GIFTS & LEGACIES

	Year ended 31 December 2019	Year ended 31 December 2018
Donations and gifts	413,421	325,110
Legacies	95,908	333,696
Gifts in kind	73,447	129,290
	<hr/>	<hr/>
	582,776	788,096
	<hr/>	<hr/>

During the year, the Charity received donations in kind to the value of £73,447 in the form of school stationery and bags, school jumpers and sweatshirts, coats, sportswear and training sports footwear. They were distributed to families as required throughout the year.

Similarly, during the year donations of toys and food were received for distribution to families at Christmas. However, without considerable time and expense it is not practicable to quantify the value attributable to them.

4. INVESTMENT INCOME

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Dividends received	35,150	32,710
Interest receivable	240	123
	<hr/>	<hr/>
	35,390	32,833
	<hr/>	<hr/>

WOOD STREET MISSION

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

5. RESOURCES EXPENDED

(a) Resources expended in 2019

	Unrestricted Funds £	Restricted funds £	Total £
Charitable activities			
Community Shop	255,245	88,039	343,284
School Uniforms	60,499	93,646	154,145
Christmas Appeal	10,890	41,771	52,661
Book Club	8,489	14,423	22,912
Other Activities	4,692	1,610	6,302
Development Work	95,207	-	95,207
	<hr/>	<hr/>	<hr/>
	435,022	239,489	674,511
	<hr/>	<hr/>	<hr/>
Governance costs	92,931	-	92,931
	<hr/>	<hr/>	<hr/>
Total Resources Expended 2019	527,953	239,489	767,442
	<hr/>	<hr/>	<hr/>

(b) Resources expended in 2018

	Unrestricted Funds £	Restricted funds £	Total £
Charitable activities			
Community Shop	196,144	318	196,462
School Uniforms	64,364	174,195	238,559
Christmas Appeal	-	46,684	46,684
Book Club	16,453	2,706	19,159
Other Activities	1,990	3,826	5,816
Development Work	79,872	-	79,872
	<hr/>	<hr/>	<hr/>
	358,823	227,729	586,552
	<hr/>	<hr/>	<hr/>
Governance costs	77,532	-	77,532
	<hr/>	<hr/>	<hr/>
Total Resources Expended 2018	436,355	227,729	664,084
	<hr/>	<hr/>	<hr/>

WOOD STREET MISSION

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

5. RESOURCES EXPENDED (*CONTINUED*)

(c) Resources expended by type in 2019

	Community Shop	School Uniform	Christmas Appeal	Book Club	Other Activities	Development work	Governance	Total
	£	£	£	£	£	£	£	£
Staff Costs	120,729	21,127	20,629	3,056	1,697	33,813	66,841	267,892
Establishment Costs	37,818	4,433	12,344	5,042	-	3,689	3,689	67,015
Administration Costs	21,697	1,743	7,355	1,620	359	55,455	20,152	108,381
Project Costs	137,170	125,155	5,217	12,293	4,246	-	-	284,081
Depreciation	25,870	1,687	7,116	901	-	2,250	2,249	40,073
Total Resources Expended 2019	343,284	154,145	52,661	22,912	6,302	95,207	92,931	767,442

Expenditure is allocated on an actual basis.

(d) Resources expended by type in 2018

	Community Shop	School Uniform	Christmas Appeal	Book Club	Other Activities	Development work	Governance	Total
	£	£	£	£	£	£	£	£
Staff Costs	99,699	17,447	17,036	2,524	1,401	27,923	55,198	221,228
Establishment Costs	31,849	3,733	10,396	4,246	-	3,107	3,107	56,438
Administration Costs	18,124	1,456	6,144	1,353	300	46,323	16,834	90,534
Project Costs	19,262	214,128	5,536	10,077	4,115	125	-	253,243
Depreciation	27,528	1,795	7,572	959	-	2,394	2,393	42,641
Total Resources Expended 2018	196,462	238,559	46,684	19,159	5,816	79,872	77,532	664,084

Expenditure is allocated on an actual basis.

WOOD STREET MISSION

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

6. INDEPENDENT EXAMINER REMUNERATION

The independent examiners remuneration amounts to £500 (2018: £400).

7. STAFF COSTS

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Wages and salaries	237,301	195,361
Social security costs	15,773	8,775
Other pension costs	13,073	10,397
Other staff costs	1,745	6,695
	<hr/>	<hr/>
	267,892	221,228
	<hr/>	<hr/>

Neither the chairman nor any other member of the Board received any remuneration for their services or reimbursement of expenses during the year, nor were any trustee expenses incurred.

There were no employees with emoluments above £60,000 (2018: Nil).

The average weekly number of full-time equivalent employees who were paid was as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
Direct charitable activities	10	8
Management and administration	3	3
	<hr/>	<hr/>
	13	11
	<hr/>	<hr/>

WOOD STREET MISSION

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

8. TANGIBLE FIXED ASSETS

	Freehold property	Van	Furniture & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2019	1,500,501	30,000	31,782	1,562,283
Additions	-	-	3,234	3,234
Disposals	-	-	-	-
At 31 December 2019	1,500,501	30,000	35,016	1,565,517
Depreciation				
At 1 January 2019	307,259	23,333	23,117	353,709
Charge	30,010	6,667	3,396	40,073
Disposals	-	-	-	-
At 31 December 2019	337,269	30,000	26,513	393,782
Net book value				
At 31 December 2019	1,163,232	-	8,503	1,171,735
Net book value				
At 31 December 2018	1,193,242	6,667	8,665	1,208,574

The company has chosen to retain the book values of land and buildings which were previously revalued, and not to revalue the assets in the future. All assets are held for charitable purposes.

If freehold property had not been revalued it would have been included in the financial statements at the following amounts:

	31 December 2019 £	31 December 2018 £
Historical cost	1,200,501	1,200,501
Accumulated depreciated based on cost	(269,739)	(245,739)
	930,762	954,762

The property was last valued in 2007 by an independent valuer using market-based evidence of similar properties in the local area. The Trustees review this annually for impairment.

WOOD STREET MISSION

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

9. INVESTMENTS - SECURITIES

Listed Investments

	31 December 2019 £	31 December 2018 £
Market value		
At 1 January 2019	1,137,465	1,150,644
Additions	461,420	177,504
Sale proceeds	(464,913)	(103,204)
Realised and unrealised bonus/profits	128,412	(87,479)
	<hr/>	<hr/>
Market Value at 31 December 2019	1,262,384	1,137,465
	<hr/>	<hr/>
	31 December 2019 £	31 December 2018 £
Fixed interest securities	336,540	346,797
Equities in Unit Trusts	925,844	790,668
	<hr/>	<hr/>
Investment assets	1,262,384	1,137,465
	<hr/>	<hr/>

Individual investments which comprised more than 5% of the market value of the total portfolio were:

	£
MI Select Managers North American Equity	66,866
Vanguard Funds Plc	113,178
BNY Mellon Fund Manager Asian Inc	63,176

The historical cost of the investments is £1,142,167 at 31 December 2019 (2018: £1,095,965).

10. STOCK

	31 December 2019	31 December 2018
Donated goods	-	26,000
	<hr/>	<hr/>
	-	26,000
	<hr/>	<hr/>

Stocks represent sweatshirts received as donations in kind in 2018 and were distributed to families in 2019.

WOOD STREET MISSION

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

11. DEBTORS

	31 December 2019 £	31 December 2018 £
Amounts falling due within one year		
Income tax recoverable	7,130	3,000
Accrued income	1,846	7,126
Investment income	2,214	2,219
Prepayments	13,048	8,307
Legacy	48,382	-
	<hr/>	<hr/>
	72,620	20,652
	<hr/>	<hr/>

An impairment loss of £nil (2018: £nil) was recognised against trade debtors.

12. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31 December 2019 £	31 December 2018 £
Cash in hand and at bank	72,227	199,380
	<hr/>	<hr/>
	72,227	199,380
	<hr/>	<hr/>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2019 £	31 December 2018 £
Other creditors	1,300	2,629
Accruals	18,078	10,376
	<hr/>	<hr/>
	19,378	13,005
	<hr/>	<hr/>

WOOD STREET MISSION

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

14. FINANCIAL INSTRUMENTS

	31 December 2019 £	31 December 2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	1,262,384	1,137,465

Financial assets measured at fair value through income and expenditure include fixed asset investments.

15. THE FUNDS OF THE CHARITY

(a) General

Total reserves are represented by the following:

	31 December 2019 £	31 December 2018 £
Freehold building & other fixed assets	1,171,735	1,208,574
Investments	1,262,384	1,137,465
Net current assets:		
Unrestricted	(415,333)	(301,810)
Designated	523,499	475,117
Restricted	17,303	59,720
	125,469	233,027
	2,559,588	2,579,066

WOOD STREET MISSION

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

15. THE FUNDS OF THE CHARITY (*CONTINUED*)

(b) Unrestricted funds 2019

	Unrestricted funds	Designated funds £	Revaluation reserve £	Total £
At 1 January 2019	1,805,729	475,117	238,500	2,519,346
Net movement of funds during the year	(25,443)	48,382	-	22,939
Depreciation on revalued portion of land and building	6,000	-	(6,000)	-
At 31 December 2019	<u>1,786,286</u>	<u>523,499</u>	<u>232,500</u>	<u>2,542,285</u>

Designated funds relate to a legacy all of which has now been received and which the Trustee's have earmarked for future projects.

Unrestricted funds 2018

	Unrestricted funds	Designated funds £	Revaluation reserve £	Total £
At 1 January 2018	2,048,939	175,117	244,500	2,468,556
Net movement of funds during the year	(249,210)	300,000	-	50,790
Depreciation on revalued portion of land and building	6,000	-	(6,000)	-
At 31 December 2018	<u>1,805,729</u>	<u>475,117</u>	<u>238,500</u>	<u>2,519,346</u>

Designated funds relate to a legacy which has only been received in-part and which the Trustees have earmarked for future projects.

WOOD STREET MISSION

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

15. THE FUNDS OF THE CHARITY (*CONTINUED*)

(c) Restricted funds 2019

These are restricted funds to be used exclusively for expenses relating to the areas below:

	31 December 2018	Movement in resources		31 December 2019
		Income	Expenditure	
		£	£	£
Christmas appeal	6,713	35,058	(41,771)	-
School uniform	26,000	67,646	(93,646)	-
Community shop	19,577	85,575	88,039	17,113
Books	7,240	7,183	(14,423)	-
Others	190	1,610	(1,610)	190
	<u>59,720</u>	<u>197,072</u>	<u>(239,489)</u>	<u>17,303</u>

The restricted reserves are held to buy baby equipment, clothing and other items for charitable purposes.

Restricted funds 2018

These are restricted funds to be used exclusively for expenses relating to the areas below:

	31 December 2017	Movement in resources		31 December 2018
		Income	Expenditure	
		£	£	£
Christmas appeal	7,212	46,185	(46,684)	6,713
School uniform	25,000	175,195	(174,195)	26,000
Community shop	-	19,895	(318)	19,577
Books	-	9,946	(2,706)	7,240
Others	3,403	613	(3,826)	190
	<u>35,615</u>	<u>251,834</u>	<u>(227,729)</u>	<u>59,720</u>

The restricted reserves are held to buy school uniform, clothing, bedding, books and other items for charitable purposes.

WOOD STREET MISSION

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

16. ANALYSIS OF ASSETS AND LIABILITIES BY FUND

	31 December 2019			31 December 2018		
	Unrestricted funds £	Restricted funds £	Total £	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	2,434,119	-	2,434,119	2,346,039	-	2,346,039
Current assets	127,544	17,303	144,847	186,312	59,720	246,032
Current liabilities	(19,378)	-	(19,378)	(13,005)	-	(13,005)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	2,542,285	17,303	2,559,588	2,519,346	59,720	2,579,066
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Trustees have designated £523,499 (2018: £475,117) of funds for future projects.

17. RELATED PARTY TRANSACTIONS

Key management are considered to be the Board of Trustees and they received no remuneration (2018: £nil).

There were no related party transactions in this or the prior year.

18. PENSION COMMITMENTS

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the Charity to the fund and amounted to £13,073 (2018: £10,397). Contributions totalling £1,300 (2018: £18) were payable to the fund at the balance sheet date and are included in creditors. The pension liability and expense are allocated from unrestricted funds.

19. MEMBERS OF THE COMPANY AND ULTIMATE CONTROL

The members of the company have no entitlement to distribution on dissolution of the company. They each have limited liability of up to £10. There is no overall control of this charitable company.

20. POST- BALANCE SHEET EVENTS

In March 2020 the Charity had to close its operation because of the coronavirus pandemic. Approximately half the staff employed by the Charity were able to continue their work from home but regrettably the other staff were unable to work in a safe environment at Wood Street. However, they continued to receive full salary and the Charity took advantage of Government support schemes and, as a result, received 80% of the salary paid to those members of staff who were furloughed. Operations returned to normal, albeit at a reduced level, in mid July 2020, and have continued since. The financial effect of the impact of these changes will be reflected in the Financial Statements for the year ending 31st December 2020.