

Charity registration number 313454

Unlock

Trustees' report and financial statements

for the year ended 31 December 2018

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Trustees' Report for the year ended 31 December 2018

The trustees present their report together with the financial statements of the charity and the independent examiner's report for the year ended 31 December 2018.

REFERENCE & ADMINISTRATIVE INFORMATION

Charity Name	Unlock
Registered Charity Number	313454
Charity Office	Handsworth Old Rectory 402B Handsworth Road Sheffield South Yorkshire S13 9BZ
Website	www.unlock-urban.org.uk
Start of financial year	1 January 2018
End of financial year	31 December 2018
Trustees	Nicholas Carter - Chair Andrew Dorton Barbara Funnell
Chief Officer	Dawn Lonsdale
Bankers	The Co-operative Bank plc PO Box 250 Skelmersdale WN8 6WT Charities Deposit Fund 80 Cheapside London EC2V 6DZ
Independent Examiner	Peter Winter 103 Wilkinson Street Sheffield S10 2GJ

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Trustees' Report for the year ended 31 December 2018

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STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

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

Trustee Recruitment and Appointment

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

Trustee Induction and Training

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

Organisational Structure

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

Risk management

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

OBJECTIVES AND ACTIVITIES

Aims and Objectives

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

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

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Trustees' Report for the year ended 31 December 2018

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Statement of Public Benefit

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

The main achievements during the year under review are:

- Office staff provided financial management, administration and resourcing of workers as well as responding to enquiries.
- £26,017 raised by the 35th annual Unlock walk in London.
- Unlock work (with part time paid worker) started in Cardiff.
- Unlock work (with part time paid worker) in Hastings.
- Unlock work in Hull.
- Unlock work (with part time paid worker) in Byker, Newcastle.
- Unlock work (with part time paid worker) in Sheffield.
- Unlock work (with part time paid worker) in Sunderland.
- New Unlock work with a focus on the use of Social media in Urban Mission in Birmingham in partnership with the St Peter's Saltley Trust.
- Unlock website maintained with new Bible study resources added.
- Unlock staff delivered training for the Queen's Foundation and Hull Community Church.
- Unlocking The Prodigal, Bible activity day, takes place in Heanor.
- Unlock worker training managed and delivered.
- Strategic National Unlock partnerships nurtured and developed with Queen's Foundation, Saltley Trust and Bible Society, Urban Theology Union, Church Army, National Estate Churches Network, Estates Evangelism Task Group.
- Annual Report produced and mailed.
- Actions identified by 2017 strategic review developed.
- Networking conferences attended.
- Engaged in consultations.
- Annual Unlock Gathering took place.

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Trustees' Report for the year ended 31 December 2018

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FINANCIAL REVIEW

Reserves policy

The trustees are required to ensure that free monies are available in each financial year to meet any reasonable foreseeable contingency. The Charity aims to maintain a projection of income for at least twelve months ahead and will ensure that income continues to be derived from as wide a variety of sources as possible. The trustees will take all necessary steps to ensure that at no time within this period would it be possible for the cessation of one or more funding streams to present so serious a challenge to the future of the Charity that it could not continue its operations.

In reviewing the costs that could arise should a significant reduction in income be incurred the trustees have determined that 'free' reserves should ideally be maintained equal to between 6 and 12 months' normal operating expenditure.

The current 'free' reserves of the charity are:

	£
Unrestricted reserves	31,179
Designated reserves	23,873
	<hr/> 55,052

These reserves equate to approximately 10 months' normal operating expenditure.

Investment policy

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

PLANS FOR THE FUTURE

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

INDEPENDENT EXAMINER

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

APPROVAL

This report was approved by the trustees on 8 June 2019 and signed on their behalf by:

.....
Nicholas Carter - Chair of Trustees

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Independent Examiner's report to the trustees of Unlock

I report to the trustees on my examination of the financial statements of the above charity ("the Trust") for the year ended 31 December 2018, which are set out on pages 6 to 16.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Date: 8 June 2019

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Statement of Financial Activities for the year ended 31 December 2018

	Notes	Unrestricted Funds	Designated Funds	Restricted Funds	2018 Total	2017 Total
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary Income	4	27,120	-	8,700	35,820	43,580
Activities for Generating Funds	5	26,017	-	-	26,017	23,059
Investment Income	6	681	-	-	681	897
Incoming Resources from Charitable Activities	7	-	-	-	-	-
Total Incoming Resources		<u>53,818</u>	<u>-</u>	<u>8,700</u>	<u>62,518</u>	<u>67,536</u>
Resources Expended						
Costs of Generating Funds						
Charitable Activities	9	39,265	-	14,935	54,200	52,195
Governance Costs	10	3,270	-	-	3,270	3,508
Total Resources Expended		<u>48,388</u>	<u>-</u>	<u>14,935</u>	<u>63,323</u>	<u>60,975</u>
Net Incoming/(Outgoing) Resources for the year		5,430	-	(6,235)	(805)	6,561
Gross Transfers Between Funds	11	-	-	-	-	-
Gains/(losses) on investments	12	-	(1,378)	-	(1,378)	(134)
Net Movement in Funds		5,430	(1,378)	(6,235)	(2,183)	6,427
Funds at 1 January 2018		<u>25,749</u>	<u>25,251</u>	<u>26,374</u>	<u>77,374</u>	<u>70,947</u>
Funds at 31 December 2018		<u>31,179</u>	<u>23,873</u>	<u>20,139</u>	<u>75,191</u>	<u>77,374</u>

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

The notes on pages 8 to 16 form an integral part of these financial statements.

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Balance Sheet as at 31 December 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets for charity use	14		-		167
Current assets					
Debtors	15	2,912		2,653	
Investments	16	23,873		25,251	
Cash at bank and in hand		50,307		51,225	
		<u>77,092</u>		<u>79,129</u>	
Creditors: amounts falling due within one year	17	<u>(1,901)</u>		<u>(1,922)</u>	
Net current assets			<u>75,191</u>		<u>77,207</u>
Total assets less current liabilities			<u>75,191</u>		<u>77,374</u>
Funds	18				
Unrestricted Funds			31,179		25,749
Designated Funds			23,873		25,251
Restricted Funds	19		20,139		26,374
			<u>75,191</u>		<u>77,374</u>

Approved by the Trustees on 8 June 2019 and signed and authorised for issue on their behalf by:

.....
Nicholas Carter
Chair of Trustees

The notes on pages 8 to 16 form an integral part of these financial statements.

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Notes to the financial statements for the year ended 31 December 2018

1. Basis of Preparation

1.1. Basis of accounting

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

- a) The Charities Act 2011
- b) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).
- c) Applicable accounting standards

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by the Charities SORP FRS 102 the restatement of comparative figures was required. The trustees confirm that no restatement of comparative figures was required.

2 Accounting Policies

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

2.2. Form of Financial Statements

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

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

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Notes to the financial statements for the year ended 31 December 2018

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2.3. Incoming Resources

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

2.4. Expenditure and Liabilities

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

2.5. Pensions

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

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

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

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

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

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

2.8. Investments

Current asset investments are stated at market value at the balance sheet date in accordance with the Charities Statement of Recommended Practice (FRSSE 2015).

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Notes to the financial statements for the year ended 31 December 2018

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1.9. Foreign currencies

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

3. Trustees' remuneration and related party transactions

- a) No remuneration was paid to any trustee.
- b) No travel or other expenses were reimbursed to trustees during the year under review (2017: £Nil).
- c) No trustee or other person connected to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
4. Voluntary Income				
Donations and Grants	20,471	8,700	29,171	38,273
Gift Aid claims	6,649	-	6,649	5,307
	<u>27,120</u>	<u>8,700</u>	<u>35,820</u>	<u>43,580</u>
	£	£	£	£
5. Activities for Generating Funds				
Annual Unlock Walk	26,017	-	26,017	23,059
	<u>26,017</u>	<u>-</u>	<u>26,017</u>	<u>23,059</u>
	£	£	£	£
6. Investment Income				
Bank interest	106	-	106	83
Listed investments interest	575	-	575	814
	<u>681</u>	<u>-</u>	<u>681</u>	<u>897</u>

**Notes to the financial statements
for the year ended 31 December 2018**

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Notes to the financial statements for the year ended 31 December 2018

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12. Investment	£	£	£	£
Gains / (losses) on investments	(1,378)	-	(1,378)	(134)
	<u>(1,378)</u>	<u>-</u>	<u>(1,378)</u>	<u>(134)</u>

13. Staff costs

	2018	2017
	£	£
Salaries	40,415	38,155
Employer's National Insurance	-	-
Employer's Pension Contributions	426	420
	<u>40,841</u>	<u>38,575</u>

No employee received remuneration of more than £60,000 during the year under review (2017 - none).
Based on average head count number of staff, including both full-time and part-time employees, the average number of employees during the year was 8 (2017 - 8). The total of employee benefits received by key management personnel amounted to £426 in respect of employer pension contributions.

14. Tangible fixed assets	Fixtures, fittings and equipment	Total
	£	£
Cost		
At 1 January 2018	3,567	3,567
At 31 December 2018	<u>3,567</u>	<u>3,567</u>
Depreciation		
At 1 January 2018	3,400	3,400
Charge for the year	167	167
At 31 December 2018	<u>3,567</u>	<u>3,567</u>
Net book values		
At 31 December 2018	-	-
At 31 December 2017	<u>167</u>	<u>167</u>

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Notes to the financial statements for the year ended 31 December 2018

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15. Debtors	2018	2017
	£	£
Gift Aid Receivable	2,200	76
Prepaid insurance	712	2,577
	<u>2,912</u>	<u>2,653</u>

16. Investments	2018	2017
	£	£
	<u>23,873</u>	<u>25,251</u>

Current asset investments comprise 24,802 units in CAF Income Fund having a market value of £23,873. The balance at 31 December 2017 comprised 24,802 units having a market value of £25,251. The unrealised gains/(losses) during the year are shown in the Statement of Financial Activities.

17. Creditors: amounts falling due within one year	2018	2017
	£	£
Other taxes and social security costs	333	415
Accrued expenses	1,568	1,507
Pension contributions	-	-
	<u>1,901</u>	<u>1,922</u>

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Notes to the financial statements for the year ended 31 December 2018

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18. Movements Between Funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
1 January 2018	25,749	25,251	26,374	77,374
Incoming Resources for the Year	53,818	-	8,700	62,518
	79,567	25,251	35,074	139,892
Resources Expended in the year	(48,388)	-	(14,935)	(63,323)
	31,179	25,251	20,139	76,569
Transfer between funds	-	-	-	-
Gains/(losses) on investments	-	(1,378)	-	(1,378)
	31,179	23,873	20,139	75,191

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Notes to the financial statements for the year ended 31 December 2018

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19. Restricted Funds

	At 1 January 2018	Income	Expenditure	At 31 2018
	£	£	£	£
Birmingham (Social Media) Local Partnership	7,222	-	(1,184)	6,038
Birmingham (Queens) Local Partnership	3,640	-	(450)	3,190
Cardiff Local Partnership	-	2,500	(547)	1,953
Gathering / Festival	1,700	-	(1,700)	-
Hastings Local Partnership	2,158	1,000	(3,158)	-
Hull (Community Church) Local Partnership	2,317	-	(329)	1,988
Sheffield Local Partnership	8,448	-	(4,633)	3,815
Sunderland Local Partnership	889	5,200	(2,934)	3,155
	<u>26,374</u>	<u>8,700</u>	<u>(14,935)</u>	<u>20,139</u>

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

Birmingham (Queen's) Local Partnership

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

Birmingham (Social Media) Local Partnership

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

Cardiff Local Partnership

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

Gathering / Festival

This fund was used to support the Unlock 2018 annual national gathering and a grant was received from Slavanka Trust in December 2017.

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Notes to the financial statements for the year ended 31 December 2018

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Hastings Local Partnership

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

Hull (Community Church) Local Partnership

This fund is used for work in West Hull. Work in this area is undertaken in partnership with Hull Community Church where Unlock provides training for church leaders.

Hull (New) Local Partnership

This fund is used for work in West Hull. Work in this area is undertaken in partnership with The Bible Society. This work is in the early negotiation stage and its form is yet to be determined.

Sheffield Local Partnership

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

Sunderland Local Partnership

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

20. Prior year: Statement of financial activities

	Unrestricted funds	Designated funds	Restricted funds	2017 total
	£	£	£	£
Incoming resources	49,161	-	18,375	67,536
Resources expended	(46,365)	(134)	(14,610)	(60,841)
Total incoming/(Outgoing) resources for the year	2,796	(134)	3,765	6,427
Net funds bf	22,953	25,385	22,609	70,947
Net funds cf	25,749	25,251	26,374	77,374