



Financial Statements
Year ended 5th April 2019

Charity Number 1041574
Company Number 02576450

Reference and administrative details

| | |
|-----------------------|---|
| Charity number | 1041574 |
| Company number | 02576450 |
| Registered Office | The Old Boot Factory, 71 Townsend Road, Chesham, Bucks. HP5 2AA |
| Bankers | HSBC Bank plc, 92 Sycamore Road, Amersham, Bucks. HP6 5EW Scottish Widows Bank plc, PO Box 12757, 67 Morrison St, Edinburgh. EH13 8YJ Virgin Money, Jubilee House Gosforth, Newcastle-upon-Tyne. NE3 4PL Nationwide Building Society, P.O. Box3, 5-11 St. Georges Street, Douglas, IOM. COIF Charity Funds, Senator House, 85 Queen Victoria Street, London, EC4 4ET |
| Solicitors: | Blaser Mills, Chalfont Court, 5 Hill Avenue, Amersham, Bucks. HP6 5BD |
| Independent Examiner: | James Foskett FCA DChA, Cansdales, Bourbon Court, Nightingales Corner, Little Chalfont, Bucks. HP7 9QS |

Patrons

Sir William Castell LVO FMedSci
Sir John Johnson KCMG (deceased 15 October 2018)
Lady Johnson
Mr Gary Grant
Mrs Sylvia Parrott MBE

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

Trustees and key management

The trustees who served during the year were as follows:

T N Bartlett FCMA (Acting Chairman)
R Canham
M D Critchley
W T Duperouzel BEM FCPA
K T M Irvine (Chairman, deceased 6 March 2019)
K G Wilcock
M Y Zaman

Chief Executive Officer: A S Hatch

Chairman's Report

I find myself writing this following the sad passing of Keith Irvine in March. Keith was a wonderful Chairman and ambassador for Workaid, thoughtful, calm and kind. He had a long association with us having joined to work on tool refurbishment and undertaken many driving and speaking assignments before taking on responsibility for IT. We were also saddened by the death in October of our patron Sir John Johnson, a long-standing supporter of Workaid dating back to his time as UK High Commissioner to Kenya in the late 1980's. They are both much missed, as are the other volunteers and supporters who died during the year – our thoughts are with their families and friends.

Despite these challenges and those provided by an economic and political environment full of turmoil, 2018-19 has been another really positive year for Workaid. We have to build steadily on the strong foundations put in place since we were founded in 1986. Income was up by 20% and expenditure by 18% in a year in which we made good progress on all of our strategic aims and are well placed for future growth. I am delighted to welcome Adrian Hatch who joined in February as our new CEO who will I am sure make the most of that opportunity. Adrian has a strong record of charity management and a real passion for international development, and Africa in particular.

We sent a record nine containers this year, with the last one leaving on the last day of the financial year! This really is a testament to the work of our fantastic group of volunteers. This means that we have been able to provide an increasing number of refurbished tools and equipment to vocational projects in Africa, helping more people learn the skills they need to help themselves out of poverty.

Workaid's evolution is in line with the strategic aims set out in the Chairman's report last year. These aims have remained in place and the developments this year are outlined here:

- *Partnerships* – during the year we have:
 - Continued to provide tools to many UK-based charities with goals aligned to our own.
 - Established a satellite workshop at Heritage House, a local school for children with learning disabilities. The workshop is part of their programme to help their learners get ready for life after school, and at the same time they refurbish tools for Workaid – a real win win! Black Park Shed also refurbish tools for us, for which we are very grateful.
 - Provided financial assistance to Tools for Self-Reliance Cymru to help them deal with unexpected costs in sending refurbished tools to Tanzania. Their goals and beneficiaries are perfectly aligned with ours and we were happy to be able to assist.
 - Broadened our base of volunteers through a partnership with Missenden Walled Garden, and we have attracted more volunteers from local schools too.

We continue to look for ways of partnering with other charities with aligned goals.

- *Optimising our space* at the Boot Factory.
 - We were delighted to replace our existing lift with one capable of taking both goods and people. This has made a big difference for our less physically confident volunteers.
 - We are in the midst of a programme of replacing our ageing racking which is greatly improving the working environment and making it safer.

This work will continue in 2019-20 and subject to accessing sources of funding we also hope to be able to improve our warehouse space. It is currently poorly lit, unheated and with broken windows so not the ideal environment for our sales and other teams who work there!

- *Improving the quality of what we do in Africa*
 - Adrian is going to visit Africa soon, in part to progress the search for partners to replicate our arrangements in Zambia.
 - Our monitoring and evaluation work continues to evolve too. We now have feedback from 59 projects (20 last year), showing that nearly 4,000 additional people have been trained following support from Workaid, 2,821 are able to make and sell items to augment their income, allowing 3,799 more children to be sent to school and 2,994 declaring that they have better living conditions.

Chairman's Report

As well as all of the developments outlined above, I am confident that we are well placed for the future in other ways. Rob Levine is working with Adrian to rebuild our institutional fundraising activities, and we continue to do great work to develop our more predictable sources of income (shop, eBay, auctions etc.), which give us the platform on which we can build for the future. We are grateful too to the various trusts and corporations, including Conrad Capital, who continue to support us.

T N Bartlett

Acting Chairman, Workaid

July 2019

Report of the directors and trustees for the year ended 5th April 2019

The Trustees are pleased to present their annual report and financial statements for the charity for the year ended 5th April 2019 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Statement of Recommended Practice: Accounting and Reporting by Charities.

Our purposes and activities

Purpose

The purpose of the charity is to provide practical assistance to vocational training centres and self-help schemes in Africa and in UK. Workaid collects unwanted tools, sewing machines and knitting machines from around the UK, refurbishes them to a high standard and then ships them to some of the world's most disadvantaged communities in East Africa.

Activities

Collection of unwanted tools

Over the years, Workaid has developed a network of Area Organisers throughout the UK who act as local collection points for items of interest to the charity. Some of these volunteers are able to deliver the goods to the workshop in Chesham while others will arrange for one of the Workaid vans to make collections from time to time. At the workshop, the goods are sorted. Some will not be suitable for shipment to Africa but may be suitable for sale, helping to generate funds for the ever-increasing costs of shipment.

Refurbishment

Workaid has a series of properly equipped workshops to service electrical tools, sewing machines, knitting machines and general hand tools. These are staffed by an army of over 200 skilled volunteers. There are morning and afternoon shifts Monday to Friday. It is up to the individual volunteer how many shifts they do. Most do one or two per week but some, many more.

Selection of projects

The charity puts considerable effort into ensuring that equipment sent to Africa gets to a worthy cause and that it is then used for its intended purpose. To assist in this task, Workaid has a series of partners in country who undertake considerable work on the ground. These are :-

Republic of Kenya: The Catholic Diocese of Kisii - Education Secretary and YWCA; Nairobi - National General Society.

Republic of Uganda: Interservice, Kampala.

Republic of Tanzania: The Christian Council of Tanzania, Dar-es-Salaam.

Republic of Zambia: Mr Emmanuel Zulu of Vwila - Workaid Co-ordinator.

Packing and shipping

The Projects group decides what will be sent to a range of individual vocational training projects in the relevant country according to their needs and requests. A packing list for a 20 foot container is produced. The packing section pack and label individual items and move them into the appropriate container, making arrangements for pre-shipment inspection as appropriate. When full, the container is shipped to the relevant partner organisation in Africa which handles customs clearance and distribution to the local projects.

Report of the directors and trustees for the year ended 5th April 2019

Social Obligations

At Workaid we take our social obligations seriously. As well as protecting the environment by recycling unwanted tools, we also welcome several disabled and vulnerable people who work on the regular shifts under appropriate supervision. Additionally, we have a professionally supervised space, in which people with more serious disabilities are provided with supported work experience. Other volunteers arrive as a consequence of accidents and unemployment. The discipline of contributing on a regular basis is a great boost to self-esteem and we are delighted when this contributes to a successful return to paid employment.

Fund raising activities

Shipping containers to East Africa is not a cheap exercise. On top of the direct shipping costs, there are local taxes and duties. Workaid has no endowed income so the income generated by the Workaid shop and through other sales are increasingly important. The supervised space for those with disabilities is used for supported work experience for two days per week. On other days, it is available to local groups for arts and crafts classes, and these yield additional contributions. To keep the supporters of the charity up to date with activities, a news sheet is produced regularly throughout the year. This is complemented by information on our website. There is also a panel of speakers who make presentations about Workaid to interested groups such as churches and Rotary Clubs. This raises awareness and makes a modest contribution to funds. We are also developing a more systematic approach to engaging with companies, organisations and trusts.

Public Benefit

Workaid contributes to the public good in two principal ways. Primarily the charity makes good use of things that would otherwise end up in landfill. Anything that cannot be shipped to Africa is either sold to generate funds, passed to another charity or sorted and disposed of meticulously. Secondly, Workaid is a social organisation. People volunteer with Workaid because it provides an environment where there is a constructive job to do in the company of like-minded people.

Achievements and performance

During the year Workaid considered new requests for support from groups and organisations in the four countries where we have partners, and additionally we supply items to two other countries via other UK charities - to Malawi via Krizevac and to Sierra Leone via Home Leone. In its Chesham workshop Workaid refurbished and packed tools, machines and other equipment for 169 projects.

The groups helped in these 169 projects fell into the following general categories:-

| | |
|--|----|
| • Women & other Self-Help Groups | 44 |
| • Vocational Training & Youth Polytechnics | 21 |
| • Community Projects (Urban & Rural) | 39 |
| • HIV/Aids Widows & Orphans Rehabilitation | 7 |
| • Prisons | 7 |
| • Schools Training Projects | 2 |
| • Church & Missionary Based Projects | 11 |
| • Other | 38 |

Report of the directors and trustees for the year ended 5th April 2019

A total of 4,018 groups of items comprising refurbished tool kits, machines, and other equipment were supplied. The biggest groupings of these were sewing machines (1,320) and accessories (334), carpentry kits (282), knitting machines (176) and typewriters (111). We also sent a variety of kits, comprising multiple pieces of equipment for carpentry, building/masonry, metalwork and engineering, motor mechanical, horticultural, plumbing, leatherwork/shoe-making and electrical training. We also sent many larger items of workshop equipment such as lathes, workshop benches, welding kits and bicycles.

Consignments for 169 projects were shipped in nine 20ft sea containers (a record number of containers for us) comprising:-

- 16 to Kenya in one container named OBADIAH
- 39 to Uganda in two containers named ANTHONY and MICHAEL
- 42 to Tanzania in three containers named SID, BARTHOLOMEW and JETHRO
- 55 to Zambia in three containers named HENRY VI'S TOOLKIT, BETTY and ZADOK.

As well as supplying these 152 projects that we identified ourselves, we also sent items to 17 further projects on other organisations' containers (including bikes and sewing machines to Malawi via Krizevac, and various tools and equipment to Sierra Leone via Home Leone) or on behalf of other UK based charities on our own containers, including Harpenden Spotlight on Africa. The goals of these organisations are aligned with our own.

In summary, refurbished tools and equipment were sent to 169 projects. With an estimated average of 50 people benefiting from training at each project, approximately a further 8,450 disadvantaged people will be given the chance to learn a trade, giving them hope for the future and an opportunity to build better lives for themselves and their families. Since the charity's formation over 33 years ago, it is estimated that more than 140,000 people have benefited directly from the vital tools and equipment provided by Workaid.

Financial Review

The total income for the financial year at £381,672 showed an increase of £64,132 on a like for like basis (after excluding a small gain on a fixed asset sale in the previous year) compared with the year ended 5th April 2018. Income from donations increasing by £64,261, including £45,500 to fund much of the capital expenditure in the year. With donations by definition subject to volatility, funds generation under the direct control and influence of the charity's staff continues to be the primary focus. Trading activities produced £150,305 income, £4,246 lower than last year but still impressive. Shop and sales stands reached another record of £93,386 but eBay and auction receipts fell a further £6,282 to £19,634.

Total expenditure for the year at £404,423 increased by £66,201 compared to the previous year. Project costs at £148,461 rose by £39,947, mainly because nine containers were shipped to Africa in the year, compared with eight in the previous year, and there was a £10,000 contribution to another charity to enable them to send a container to Tanzania. Building maintenance costs at £18,799 showed a £19,982 decrease in the year, however separately there was fixed asset fixtures expenditure of £60,699. The building continues to be a major area of concern for management and trustees alike. The Workaid premises, although eminently fit for purpose, are old and as such there are inevitable financial and health and safety risks associated with the ongoing operation that is in turn reflected in the reserves policy, below. Payroll costs have increased primarily because we

Report of the directors and trustees for the year ended 5th April 2019

have taken on a full-time Chief Executive who overlapped with the General Manager for a period of handover, and an Office Supervisor. The trustees consider that these recruits are important to support our growth plans and we continue to manage costs carefully.

The year produced a deficit of £(22,751), compared with £(19,894) the previous year. As mentioned above, there were fixed asset additions of £60,699, an increase of £46,704. This is reflected in a cash outflow of £(60,927), but Workaid retains cash reserves of over £275,000 for future use to both fund the ongoing operational costs of the Chesham premises, and to continue to target the charity's resources and skills to expand operations particularly in East Africa.

The freehold property has not been depreciated in the balance sheet and remains at the purchase price of £535,000. The trustees are confident that the continued refurbishment work that has been carried out on the Chesham premises since acquisition can only serve to enhance the property's value and provides a solid base on which the charity can successfully move forward.

With no endowed income, the charity is totally dependent on the generosity of its supporters and trusts. Workaid is grateful to each and every donor for their invaluable help.

Investment powers and policy

The trustees invest any surplus funds in deposit accounts held with their bankers, HSBC Bank, Scottish Widows Bank, Virgin Money, Nationwide and with the COIF Charities Investment Fund.

Reserves policy

In recent years the trustees increased the Operational reserve to £200,000 to align it with the operational time frames of the charity. Commitments are being made for shipments 12 months from now and it was felt we should ensure that there should always be the funds to honour our obligations. This may be considered cautious but Workaid operates out of a very venerable building, the Old Boot Factory, which is absolutely essential to the charity. This reserve acts as prudent insurance against a catastrophic event.

Plans for the future

The main thrust for the future remains to continue what we are doing at present and to do it better. Efforts will continue to raise our profile in the local area and more widely. This will, over time we hope, lead both to fundraising opportunities and, as importantly, to the enhancement of our volunteer numbers – we hope to be able to do more than simply replace those who, for whatever reason, may be unable to continue volunteering with us. While we remain, of course, hugely grateful for any assistance we receive from trusts and grant giving bodies, we will also continue to focus on securing more of our financial support from sustainable sources. On page 3 the Chairman provides further commentary on the strategic priorities outlined last year, the actions taken in relation to them, and the evolution of those plans for the future.

Structure, Governance and Management

Governing document

Workaid is a national charity started in 1986 by an ecumenical house group. The charity was incorporated as a company limited by guarantee on 24th January 1991 and is governed by its Memorandum and Articles of Association. Subject to the approval of the directors anyone over the age of 18 can become a member of the company, each one of whom agrees to contribute £1 in the event of the charity winding up in accordance with Clause 7 contained in the charity's Memorandum and Articles of Association.

Report of the directors and trustees for the year ended 5th April 2019

Appointment and role of trustees

The Board may from time to time and at any time appoint any member of the Company as a trustee, either to fill a casual vacancy or by way of addition to the Board, provided that the prescribed maximum be not thereby exceeded. Any trustee so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the trustees who are to retire by rotation at such meetings.

Historically, new trustees have been selected from existing volunteers who have demonstrated appropriate experience and a high level of commitment to Workaid and are sympathetic to its aims and objectives. These objectives remain central to the selection of volunteers but the Board has agreed that it is also important to have representation from people outside of Workaid to bring different perspectives and to help to ensure that the Board has the correct mix of skills to ensure the good governance of the charity. Efforts have also been made to ensure that the trustee body is appropriately diverse so that a broad range of perspectives are brought to the discussions

Induction of Trustees

New appointees are provided with information about their role and responsibilities under charity law and also as company directors. From time to time, a formal course is organised to ensure that all trustees are up to date with the current standards and regulations.

Organisation

Following Keith Irvine's sad death in March 2019, Trevor Bartlett agreed to assume responsibility as Acting Chairman. The trustees are fully appraised by the Finance Director of any expenditure above the agreed threshold that can be approved by any of the employees, including the Chief Executive.

Related Parties

None of the trustees receives remuneration. However, trustees may visit Africa for appraisals and negotiations with the partners for which their expenses are reimbursed.

Pay policy

Salaries are reviewed annually and adjusted for inflation and any change in responsibilities.

Management of Risk

The charity trustees follow a risk management strategy comprising:-

- a) As part of the regular trustee strategy meetings, principal risks and uncertainties that the charity may face are discussed together with the effectiveness of associated policies, systems and procedures that are in place to mitigate such risks.
- b) Where such risks currently exist these are identified and highlighted in the annual review together with the procedures in place to minimise any potential impact on the charity.

Specific areas of risk are as follows:-

- Financial sustainability – monthly reviews of available liquid funds and working capital (both for the immediate future and the year ahead) are undertaken to ensure that all current liabilities have adequate cash coverage.
- Building and third party risks – these are reviewed and discussed both internally and with our insurers to ensure adequate insurance coverage is always in place.
- Health and Safety of volunteers and visitors – this is constantly under review so that all legislative requirements are met, and that accident risks are minimised.
- IT risks – the security of the IT system is controlled and supervised by an experienced IT executive.

Report of the directors and trustees for the year ended 5th April 2019

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Workaid for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing the 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 UK accounting standards have been followed, subject to any material departures disclosed and explained to 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, taking advantage of the small companies exemption in that Act. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our Independent Examiner


In so far as the trustees are aware at the time of approving the annual report:

- there is no relevant information of which the charitable company's independent examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information, and to establish that the independent examiner is aware of that information.

By order of the board of trustees



T N Bartlett
Acting Chairman

 July 2019

Independent Examiner's Report to the Trustees of Workaid for the year ended 5th April 2019

I report to the trustees on my examination of the financial statements of the charitable company for the year ended 5 April 2019 which are set out on pages 12 to 20.

Responsibilities and basis of report

As trustees of the charitable company (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 charitable company 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 your charitable company's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.


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 charitable company 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 financial statements 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 financial statements 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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my Independent Examination, for this report, or for the opinions I have formed.



James Foskett FCA DChA
Cansdales
Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

Date: 26 July 2019

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the year ended 5th April 2019

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|------------------------------------|------|----------------------------|--------------------------|--------------------|--------------------|
| Income | | | | | |
| Donations and Legacies | 2 | 162,228 | 46,250 | 208,478 | 144,217 |
| Trading Activities | 3 | 150,305 | - | 150,305 | 154,551 |
| Value of Donated Goods | | 18,523 | - | 18,523 | 18,293 |
| Investment Income | 4 | 4,366 | - | 4,366 | 479 |
| Sale of Fixed Assets | | - | - | - | 788 |
| Total Income | | <u>335,422</u> | <u>46,250</u> | <u>381,672</u> | <u>318,328</u> |
| Expenditure on | | | | | |
| Raising Funds | 5 | 55,505 | 778 | 56,283 | 54,752 |
| Charitable Activities | 6 | <u>347,207</u> | <u>933</u> | <u>348,140</u> | <u>283,470</u> |
| Total Expenditure | | <u>402,712</u> | <u>1,711</u> | <u>404,423</u> | <u>338,222</u> |
| Net movement for the year | | <u>(67,290)</u> | <u>44,539</u> | <u>(22,751)</u> | <u>(19,894)</u> |
| Transfer between funds | 13 | <u>45,500</u> | <u>(45,500)</u> | <u>-</u> | <u>-</u> |
| Reconciliation of Funds | | | | | |
| Total funds brought forward | | 887,814 | 961 | 888,775 | 908,669 |
| Total Funds carried forward | | <u>886,024</u> | <u>-</u> | <u>866,024</u> | <u>888,775</u> |

Information regarding how much of the figures relate to restricted funds is included in notes 5, 6, 10 and 13.

The notes on pages 15-20 form part of these financial statements.

Balance Sheet at 5th April 2019

| | Note | 2019 £ | 2018 £ |
|---------------------------------------|------|----------------|----------------|
| Fixed Assets | | | |
| Tangible assets | 10 | 608,856 | 555,920 |
| Total Fixed Assets | | <u>608,856</u> | <u>555,920</u> |
| Current Assets | | | |
| Debtors | 11 | 14,607 | 11,165 |
| Cash at bank and in hand | | 276,248 | 337,175 |
| Total Current Assets | | <u>290,855</u> | <u>348,340</u> |
| Liabilities | | | |
| Creditors falling due within one Year | 12 | 33,687 | 15,485 |
| Net Current Assets | | <u>257,168</u> | <u>332,855</u> |
| Net Assets | | <u>866,024</u> | <u>888,775</u> |
| Represented by | | | |
| Restricted Funds | 13 | - | 961 |
| Unrestricted Funds | 13 | | |
| General | | 57,168 | 131,894 |
| Operational | | 200,000 | 200,000 |
| Other designated | | 608,856 | 555,920 |
| Total Funds | | <u>866,024</u> | <u>888,775</u> |

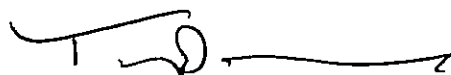
The trustees have prepared financial statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual financial statements required by the Companies Act 2006 and are for circulation to members of the company.

For the year ended 5th April 2019, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. Workaid's company number is 02576450.

Directors' responsibilities:

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

The notes on pages 15-20 form part of these financial statements.



T N Bartlett

Acting Chairman of trustees on behalf of the trustees

Approved by the trustees on 24 July 2019

Statement of Cash Flows for the year ended 5th April 2019

| | Note | 2019 £ | 2018 £ |
|--|-------------|-------------------|-------------------|
| Cash flows from operations | 15 | (4,594) | (24,156) |
| Cash flows from investing | 15 | <u>(56,333)</u> | <u>(10,233)</u> |
| Increase/(decrease) in cash and cash equivalents | | (60,927) | (34,389) |
| Cash and cash equivalents at the beginning of the year | | 337,175 | 371,564 |
| Cash and cash equivalents at the end of the year | | <u>276,248</u> | <u>337,175</u> |

The notes on pages 15-20 form part of these financial statements.

Notes to the financial statements for the year ended 5th April 2019

1. Accounting Policies

Company information

Workaid is a private company limited by guarantee incorporated in England & Wales. The registered office address can be found on page 2, Reference and administrative details.

Accounting Conventions

The financial statements have been prepared on a going concern basis under the historical cost convention. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follow:

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 amended by update bulletin 1 issued on 2 February 2016, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared in Sterling, which is the functional currency of the charitable company, and rounded to the nearest £1.

Capitalisation policy, tangible fixed assets and depreciation

Purchases of assets in excess of £1,000 are considered for capitalisation by the Trustees. Tangible fixed assets are stated at cost less depreciation. Depreciation commences at the date the asset is acquired or ready for use. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold Property - the trustees have not depreciated the premises at The Old Boot Factory

Fixtures, fittings & equipment, and motor vehicles - 20% per annum, straight line.

Expenditure

Expenditure is accounted for on the accruals basis, net of VAT where this is recoverable. Governance costs relate to the costs of the Independent Examiner plus specialist advice on human resources and operational matters. These costs are included in full under expenditure on charitable activities as the trustees do not consider it appropriate or practical to allocate any of these costs to the costs of the charity's trading activities.

Income

Income from donations and tax recovered is accounted for on a received basis. Income from trading activities is also accounted for on a received basis. No value is placed on donated tools and equipment received until they are shipped or are sold by the charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in the notes to the financial statements.

Pensions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Notes to the financial statements for the year ended 5th April 2019

2 Income from Donations and Legacies

| | 2019 | 2018 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Individuals | 75,277 | 64,581 |
| Trusts | 91,156 | 45,463 |
| Churches and Organisations | 35,455 | 26,564 |
| Gift aid | 6,590 | 7,609 |
| | <u>208,478</u> | <u>144,217</u> |

In the current period there were three restricted donations totalling £46,250 (2018- two donations totalling £25,056).

3 Trading Activities

| | 2019 | 2018 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| Workaid Shop & Sales Stands | 93,386 | 89,141 |
| eBay & Auctions | 19,634 | 25,916 |
| Non Shop Sales | 6,098 | 10,221 |
| Sale of Scrap | 8,292 | 8,860 |
| Supervised Work Experience | 7,191 | 9,738 |
| Craft & Sundry Activities | 15,704 | 10,675 |
| | <u>150,305</u> | <u>154,551</u> |

4 Investment Income

| | 2019 | 2018 |
|---------------|--------------|------------|
| | £ | £ |
| Bank Interest | <u>4,366</u> | <u>479</u> |

5 Expenditure on Raising Funds

| | 2019 | 2018 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Fund Raising and Publicity | 7,979 | 9,471 |
| Shop & Development Activities | 42,142 | 38,555 |
| Special Needs Workshop Supervision | 6,162 | 6,726 |
| | <u>56,283</u> | <u>54,752</u> |

Special needs workshop supervision and development activities were funded by £778 restricted funds in the current year (2018 - £6,692).

Notes to the financial statements for the year ended 5th April 2019

6 Expenditure on Charitable Activities

| | 2019 | 2018 |
|----------------------|----------------|----------------|
| | £ | £ |
| Project Costs | 148,461 | 108,514 |
| Staff Costs | 89,460 | 63,249 |
| Workshop | 48,420 | 44,588 |
| Building Maintenance | 18,799 | 38,781 |
| Office | 23,302 | 16,853 |
| Governance | 11,935 | 6,380 |
| Depreciation | 7,763 | 5,105 |
| | <u>348,140</u> | <u>283,470</u> |

Staff costs were funded occasionally in part by restricted donations. For 2019, the figure was £nil and £1,425 for 2018. Building maintenance was funded by £933 restricted funds in the current year (2018 - £17,403). Governance costs include £2,700 for independent examination and £1,466 for other financial services (2018- £2,600 and £956).

7 Staff

| | 2019 | 2018 |
|------------------------------|----------------|---------------|
| | £ | £ |
| Total Staff Costs | 120,890 | 94,389 |
| Employers pension cost | 1,778 | 1,408 |
| Employers National Insurance | 5,753 | 3,657 |
| | <u>128,421</u> | <u>99,454</u> |
| Average Staff Numbers | 7 | 7 |
| Full Time Equivalent | 4.2 | 3.7 |

For the year to 5th April 2019, there was one full time employee (2018 – one). No employee earned £60,000 p.a. or more. Trustees were not remunerated.

The key management of the charity was considered to be the full trustee body, the Chief Executive Officer, the Production Manager and the Development Manager. The total remuneration of key management in the year was £89,726 (2018 - £70,587).

8 Related Party Transactions

No trustee received expenses in the current year (2018 - £nil).

9 Taxation

As a charity, Workaid is able to recover tax on donations received related to Gift Aid. The charity is registered for VAT and is exempt from corporation tax on its charitable activities.

Notes to the financial statements for the year ended 5th April 2019

10 Tangible Fixed Assets

| | Freehold Property £ | Fixtures & Fittings £ | Motor Vehicles £ | Total £ |
|---------------------|---------------------------|-----------------------------|------------------------|----------------|
| Cost | | | | |
| At 6 April 2018 | 535,000 | 17,222 | 28,700 | 580,922 |
| Additions | - | 60,699 | - | 60,699 |
| Disposals | - | - | - | - |
| At 5 April 2019 | <u>535,000</u> | <u>77,921</u> | <u>28,700</u> | <u>641,621</u> |
| Depreciation | | | | |
| At 6 April 2018 | - | 17,222 | 7,780 | 25,002 |
| On disposals | - | - | - | - |
| Charge for the year | - | <u>2,023</u> | <u>5,740</u> | <u>7,763</u> |
| At 5 April 2019 | - | <u>19,245</u> | <u>13,520</u> | <u>32,765</u> |
| Net book value | | | | |
| At 5 April 2018 | <u>535,000</u> | <u>-</u> | <u>20,920</u> | <u>555,920</u> |
| At 5 April 2019 | <u>535,000</u> | <u>58,676</u> | <u>15,180</u> | <u>608,856</u> |

Capital expenditure in the year amounting to £45,500 was funded by restricted donations (2018 - £nil).

11 Debtors

| | 2019 £ | 2018 £ |
|-------------|---------------|---------------|
| VAT refund | 6,827 | 3,166 |
| Gift Aid | 6,590 | 7,609 |
| Prepayment | 560 | - |
| Receivables | <u>630</u> | <u>390</u> |
| | <u>14,607</u> | <u>11,165</u> |

12 Creditors

| | 2019 £ | 2018 £ |
|-------------------|---------------|---------------|
| Supplier invoices | 9,890 | 8,619 |
| Accruals | <u>23,797</u> | <u>6,866</u> |
| | <u>33,687</u> | <u>15,485</u> |

Notes to the financial statements for the year ended 5th April 2019

13 Funds

| | Opening Balance £ | Income £ | Expenditure £ | Transfers £ | Closing Balance £ |
|------------------|-------------------------|-------------|------------------|----------------|-------------------------|
| Restricted | 961 | 46,250 | (1,711) | (45,500) | - |
| Designated | | | | | |
| Operational | 200,000 | - | - | - | 200,000 |
| Fixed Assets | 555,920 | - | (7,763) | 60,699 | 608,856 |
| Total Designated | 755,920 | - | (7,763) | 60,699 | 808,856 |
| Unrestricted | 131,894 | 335,422 | (394,949) | (15,199) | 57,168 |
| Total Funds | 888,775 | 381,672 | (404,423) | - | 866,024 |

The fixed asset fund represents the net book value of the fixed assets owned by the charity.
The operational fund is to cover 12 months day-to-day running costs.

14 Analysis of Net Assets

| | Restricted £ | Designated Fixed Assets £ | Designated Operational £ | Unrestricted £ | 2019 Total £ |
|---------------------|-----------------|---------------------------------|--------------------------------|-------------------|--------------------|
| Fixed Assets | - | 608,856 | - | - | 608,856 |
| Current Assets | - | - | 200,000 | 90,855 | 290,855 |
| Current Liabilities | - | - | - | (33,687) | (33,687) |
| | - | 608,856 | 200,000 | 57,168 | 866,024 |

Notes to the financial statements for the year ended 5th April 2019

15 Notes to the Statement of Cash Flows

| | 2019 | 2018 |
|------------------------------------|-----------------|-----------------|
| | £ | £ |
| Cash Flows from operations | | |
| Net movement of funds | (22,751) | (19,894) |
| Add back depreciation | 7,763 | 5,105 |
| Deduct interest income | (4,366) | (479) |
| Deduct gain on sale of fixed asset | - | (788) |
| Debtors | (3,442) | (865) |
| Creditors | 18,202 | (7,235) |
| | <u>(4,594)</u> | <u>(24,156)</u> |
| Cash flows from investing | | |
| Interest income | 4,366 | 479 |
| Purchase of fixed assets | (60,699) | (13,995) |
| Sale of fixed asset | - | 3,283 |
| | <u>(56,333)</u> | <u>(10,233)</u> |

