

Charity Registration No. 1172948

Company Registration No. 10457781 (England and Wales)

**COMPASSION ACTS LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

# COMPASSION ACTS LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	John Attwater Patrick Evans David Whitehouse Allan Salisbury Richard Vernon Stuart Harding Tracey Illingsworth Vivian Cupit
<b>Charity number</b>	1172948
<b>Company number</b>	10457781
<b>Registered office</b>	40 Hoghton Street Southport PR9 0PQ
<b>Independent examiner</b>	J A Fell & Company 40 Hoghton Street Southport PR9 0PQ

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# COMPASSION ACTS LIMITED

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# COMPASSION ACTS LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

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The trustees present their report and financial statements for the year ended 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### Objectives and activities

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

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

In this second year of operation as a combined charity the focus has been to manage the united in a sustainable and financially secure way. The Trustees have developed working relationships and the appropriate policies and procedures necessary for stability going forward. The trustees met four times during the year to gather reports from the five projects and consider financial/strategic matters.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

### Achievements and performance

This is the first full year of the combined charity bringing debt centre and FoodBank operations together. The focus this year was on continuing to provide debt advice (via CAP and CMA), welfare advice, emergency food distribution through 5 FoodBank distribution centres and also to develop the Food Pantry service. Fundraising has been a priority and plans were developed to submit a major multi-year bid to the Trussell Trust to fund to increase coordination and a Chief Executive for 3 years from 2019.

### Financial review

During the year the charity received total income of £90,697 (2017 - £94,532) and recorded expenditure of £88,385 (2017 - £66,617). This led to a surplus for the year of £2,312 (2017 - £27,915) which led to total funds at the year end of £70,668 (2017 - £68,356).

### Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Rev Patrick Evans  
Rev David Whitehouse  
Rev Richard Vernon  
Mr John Attwater  
Mr Allan Salisbury  
Mr Stuart Harding  
Ms Tracey Illingsworth  
Ms Vivian Cupit

# COMPASSION ACTS LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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New Trustees are introduced to the charity procedures at the first Trustees Meeting after being approved. Financial procedures are then introduced by the Treasurer. Data protection procedures are explained in detail.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

There are 8 trustees drawn from across a range of churches in the area to provide a balance of skills and backgrounds to enrich the governance of the charity. On a day to day basis one of the trustees (Allan Salisbury) acted as executive director, in the absence of any senior paid management staff at this stage in the charity's development.

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

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



John Attwater

Trustee

Dated: 27 September 2019

# COMPASSION ACTS LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF COMPASSION ACTS LIMITED

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I report to the trustees on my examination of the financial statements of Compassion Acts Limited (the charity) for the year ended 31 December 2018.

#### **Responsibilities and basis of report**

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

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

#### **Independent examiner's statement**

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



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

Dated: 27/9/2019

# COMPASSION ACTS LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Restricted funds 2018 £	Total 2017 £
<b><u>Income from:</u></b>			
Donations and legacies	2	83,497	94,532
Charitable activities	3	6,158	-
Other trading activities	4	1,042	-
<b>Total income</b>		<u>90,697</u>	<u>94,532</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	<u>88,385</u>	<u>66,617</u>
<b>Net Income for the year/ Net movement in funds</b>		2,312	27,915
Fund balances at 1 January 2018		<u>68,356</u>	<u>40,441</u>
<b>Fund balances at 31 December 2018</b>		<u><u>70,668</u></u>	<u><u>68,356</u></u>

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

All income and expenditure derive from continuing activities.

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

# COMPASSION ACTS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	9		6,322		10,189
<b>Current assets</b>					
Stocks	11	24,868		19,548	
Debtors	12	685		-	
Cash at bank and in hand		42,986		38,619	
		<u>68,539</u>		<u>58,167</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(4,193)</u>		<u>-</u>	
Net current assets			64,346		58,167
<b>Total assets less current liabilities</b>			<u>70,668</u>		<u>68,356</u>
<b>Income funds</b>					
Restricted funds			70,668		68,356
Unrestricted funds			-		-
			<u>70,668</u>		<u>68,356</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2018.

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

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

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

The financial statements were approved by the Trustees on 12th Sept 2019



John Attwater  
Trustee

Company Registration No. 10457781



# COMPASSION ACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Charity Information

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

#### 1.1 Accounting convention

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

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

#### 1.2 Going concern

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

#### 1.3 Charitable funds

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

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

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

#### 1.4 Incoming resources

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

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

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

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

# COMPASSION ACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets

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

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

Fixtures and fittings	25% reducing balance
Computers	20% reducing balance
Motor vehicles	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.6 Impairment of fixed assets

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

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

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial Instruments

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

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

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

# COMPASSION ACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 2 Donations and legacies

	Restricted funds	Total
	2018	2017
	£	£
Donations and gifts	34,587	45,782
Grant	42,645	35,910
Donated goods and services	5,321	9,812
Other	944	3,028
	<u>83,497</u>	<u>94,532</u>

### 3 Charitable activities

	Members' Contributions	2017
	2018	
	£	£
Food Pantry	6,158	-
	<u>6,158</u>	<u>-</u>

### 4 Other trading activities

	Restricted funds	Total
	2018	2017
	£	£
Fundraising events	1,042	-
	<u>1,042</u>	<u>-</u>

# COMPASSION ACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Charitable activities

	Foodbank	Pantry	CMA Debt Centre		Total 2018	Total 2017
	2018 £	2018 £	2018 £	2018 £	£	£
Subs & fees	358	749	997	7,200	9,304	7,949
Food purchases	1,609	-	-	-	1,609	715
Pantry set-up	-	193	-	-	193	1,133
Training	-	220	-	-	220	30
Clothes & signs	551	329	-	-	880	880
Kitchen	-	354	-	-	354	47
	<u>2,518</u>	<u>1,845</u>	<u>997</u>	<u>7,200</u>	<u>12,560</u>	<u>10,754</u>
Share of support costs (see note 6)	39,831	6,925	8,058	19,871	74,685	55,863
Share of governance costs (see note 6)	1,140	-	-	-	1,140	-
	<u>43,489</u>	<u>8,770</u>	<u>9,055</u>	<u>27,071</u>	<u>88,385</u>	<u>66,617</u>

# COMPASSION ACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 6 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Staff costs	43,457	-	43,457	37,978
Depreciation	4,594	-	4,594	4,802
Warehouse/office costs	7,500	-	7,500	4,000
Insurance	2,157	-	2,157	770
Repairs & maintenance	846	-	846	30
Motor/travel	1,794	-	1,794	1,319
PPS	379	-	379	1,396
Telephone	1,241	-	1,241	495
IT costs	817	-	817	727
Bank charges	19	-	19	141
Sundry	1,484	-	1,484	1,865
Expenses	10,397	-	10,397	2,340
Independent Examiners fee	-	1,140	1,140	-
	<u>74,685</u>	<u>1,140</u>	<u>75,825</u>	<u>55,863</u>
Analysed between				
Charitable activities	<u>74,685</u>	<u>1,140</u>	<u>75,825</u>	<u>55,863</u>

Governance costs includes an accrual to J A Fell of £1,140 for independent examiners fees.

### 7 Trustees

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

### 8 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
	<u>4</u>	<u>4</u>
Employment costs	2018 £	2017 £
Wages and salaries	<u>43,457</u>	<u>37,978</u>

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

# COMPASSION ACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 9 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2018	18,696	2,326	7,944	28,966
At 31 December 2018	18,696	2,326	7,944	28,966
<b>Depreciation and Impairment</b>				
At 1 January 2018	13,900	958	3,193	18,051
Depreciation charged in the year	2,749	183	1,661	4,593
At 31 December 2018	16,649	1,141	4,854	22,644
<b>Carrying amount</b>				
At 31 December 2018	2,047	1,185	3,090	6,322
At 31 December 2017	4,796	642	4,751	10,189

### 10 Financial Instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	685	-
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	3,616	-

### 11 Stocks

	2018 £	2017 £
Raw materials and consumables	24,868	19,548

### 12 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	685	-

# COMPASSION ACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 13 Creditors: amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	577	-
Other creditors	2,476	-
Accruals and deferred income	1,140	-
	<u>4,193</u>	<u>-</u>

### 14 Analysis of net assets between funds

	2018 £	Total 2018 £	Total 2017 £
Fund balances at 31 December 2018 are represented by:			
Tangible assets	-	6,322	10,189
Current assets/(liabilities)	-	64,346	58,167
	<u>-</u>	<u>70,668</u>	<u>68,356</u>

### 15 Related party transactions

There were no disclosable related party transactions during the year.