

REGISTERED CHARITY NUMBER: 1164916

Report of the Trustees and
Unaudited Financial Statements for the year ended 31 December 2018
for
The Buddy Bag Foundation
(A Charitable Incorporated Organisation)



buddy bag
foundation
making a difference to children in emergency care

www.buddybagfoundation.co.uk
<https://www.facebook.com/BuddyBagFoundation>
Twitter: #buddybagsuk



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REPORT OF THE TRUSTEES



The trustees present their report together with the financial statements of the Buddy Bag Foundation (the charity) for the year ended 31 December 2018.

The financial statements have been prepared using the accounting policies set out in note 1 to the financial statements and comply with the Charitable Incorporated Organisation's trust deed, applicable law 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).

The Buddy Bag Foundation is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission for England and Wales on 17 December 2015.



Founder's Report

My name is Karen Williams. I am passionate about making a difference to the lives of others.

Where did the Buddy Bag idea come from?

During a visit to Australia in 2014, I was inspired by an article about the Alannah and Madeline Foundation (www.amf.org.au) which has delivered more than 50,000 Buddy Bags to children in emergency care since 2007. On my return from Australia, I researched the facilities available to children in emergency care in the UK and discovered a huge need for Buddy Bags here. To ensure as many children as possible can benefit from the Buddy Bag scheme, I set up the Live Love Laugh Foundation (which later became the Buddy Bag Foundation) and launched the Buddy Bag appeal in the UK, with the help and support of The Alannah and Madeline Foundation.

Our goal

To restore a sense of safety and security into a child's life during a traumatic time is one of the first steps to recovery. Buddy Bags are something a child can call their own, no matter where they go. Tailored across a wide age range, from new born babies to teenagers, they contain all the essential items a child needs straight away - such as toiletries, pyjamas, socks and underwear. They also include comfort items, including as a book, a photo frame and a teddy bear.

Starting in the West Midlands, our aim was to deliver 20,200 Buddy Bags to 300 refugees across the UK by 2020. To help support this aim, we are looking for companies and individuals that would like to get involved in a community project. They can do this by either sponsoring Buddy Bags in their local area, by donating funds to help pay for the items that go into the bags, or by donating their time to help fill the bags.

How the scheme works

Buddy Bags are funded through fundraising, sponsorship and donations. Groups of items can either be donated or sponsored. Individual volunteers, or companies looking for community projects to support, can meet at venues throughout UK every fortnight to help fill the back packs.

We are committed to 100% of the monies raised going into the supply of Buddy Bags!

All our services are supplied by companies who have chosen us as their Charity of the Year and donate their services free of charge.

2018 has been an amazing year for the Buddy Bag Foundation. We have delivered 4,948 Buddy Bags this year. Making a difference to 4,948 children. We are proud to have delivered a total of 16,858 Buddy Bags, hosted 88 Buddy Bag Brigades and engaged with 1,760 volunteers to date.

It was a total surprise to be nominated as one of the finalist of the Lorraine Kelly, Women of the Year. As a result of the exposure, it has helped raise the profile of BBF even more. We have attracted two Patrons Molly Windsor and Olivia Hill and Dr Hilary Jones, Supporter.

Karen Williams
Founder and Trustee



Objectives and Activities

The objective of the charity is:

The relief of material hardship and need, for the public benefit, in England and Wales, by providing personal items of basic necessity and comfort to children and young people in emergency situations, through charities or other organisations, working with children and young people when they arrive in crisis accommodation without vital personal essentials.

Our guiding principles

Purpose: We exist to make a difference to children in emergency care.

Mission: To provide a bag of essential items to children in emergency care to help restore a sense of comfort and love.

Philosophy:

- 100% of donations go directly to the children.
- To support local communities all over the UK.
- To provide opportunities for individuals and organisations to give back.

Values

How we behave as an organisation to deliver on our purpose and mission:

- Ambition
 - Determination
 - Leadership
 - Generosity
- Integrity
 - Accountability
 - Honesty
 - Respect
- Empathy
 - Passion
 - Collaboration
 - Authenticity

What is a Buddy Bag?



A Buddy Bag is a backpack that contains all the essential items a child needs. They include toiletries, pyjamas, socks and underwear. They also include comfort items such as a book, a photo frame and a teddy bear. A Buddy Bag is something a child can call their own, no matter where they go.

All the items going into the Buddy Bags are new. This has several benefits ranging from helping the children receiving the bags to bolster their self-esteem, through to simplifying the process involved in hosting a Buddy Bag Brigade.

Each Buddy Bag costs the charity about £25.

How do Buddy Bags get to the children?

Buddy Bags are donated to women's refuges all over Great Britain. Each refuge receives 30 Buddy Bags at a time.

The Buddy Bags are tailored to suit babies, children and young people, according to the needs of different age groups and genders.

What is a Buddy Bag Brigade?



A Buddy Bag Brigade is an event which brings around 20 volunteers together for two hours, working together to pack 180 Buddy Bags. The packed bags are delivered to six women's refuges. Where possible, Buddy Bags are distributed locally, but the charity works to support women's refuges all over Great Britain.

These brigades are a great team building opportunity. Many organisations engage in fundraising activities and then host their own Buddy Bag Brigades.

The charity is committed to positively influencing the local communities in which we live and work.



Corporate Social Responsibility



The Charity engages with employers, demonstrating how partnering with the Buddy Bag Foundation can help impact Corporate Social Responsibility policies, and positively support their local community.

With the opportunity to fundraise, whether through bake sales or bike rides, and volunteer with a Buddy Bag Brigade, the Buddy Bag Foundation provides great team building opportunities whilst making a difference to children in crisis.

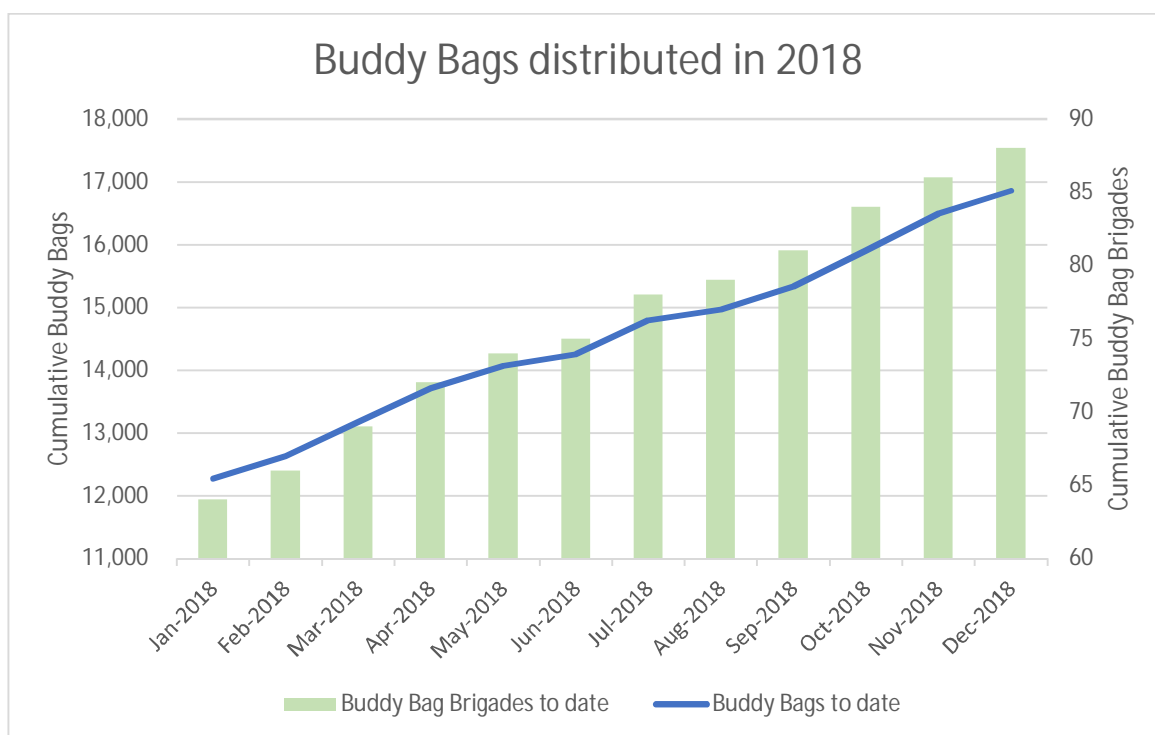
Public benefit

The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit during the performance of their duties.

Achievements and Performance

During the year ended 31 December 2018:

	2018	2017	Since formation to 31 Dec 2018
Buddy Bag Brigades	24	32	88
Number of volunteer's engaged	540	640	1,760
Buddy Bags distributed	4,948	5,760	16,858
Women's refuges supplied this year	165	192	198



Regularly Buddy Bag Brigades have been held at Tamworth and Sutton Coldfield.

Thanks to the work of volunteer Ambassadors and to groups and employers, Buddy Bag Brigades have been held in the West Midlands, Bury, York, Cardiff, Croydon, Southampton, London and Essex.

Fundraising and donations

Individuals, groups and companies are the lifeline of Buddy Bag Foundation. Together they have helped to achieve total income of £152,030 (2017 - £95,162).

The Charity is active in bidding for funding and during this period has been successful in securing funding from different sources including supermarkets and various groups.

Patrons and Supporter

Welcome our new Patrons – Olivia Hill and Molly Windsor and Supporter Dr. Hilary Jones

Ambassadors

We now have a number of Ambassadors nationwide (for example: York, Essex, Bury, Cardiff, Croydon and Cornwall) who are flying the flag of BBF.

With a supportive team of volunteers their goal is to raise £4,500 in their community to host their own Buddy Bag Brigade in their area. We will continue to recruit more Ambassadors.

Volunteers

We have engaged with over 1,760 Volunteers to date. Our volunteers support us in lots of different ways; at our Buddy Bag Brigades by donating two hours of their time; at our fundraising events and we have lots of volunteers that knit cuddly toys for our Buddy Bags.

We thank you.

If you are interested in joining our Team – Please complete the following questionnaire
<https://buddybagfoundation.co.uk/our-questionnaire/>

Awards evening

The BBF Annual Awards Evening was held in September 2018 to recognise and celebrate our Volunteers, Ambassadors and Supporters.



The winners and runners up:

2018 AWARDS

Winners

Runner up

Volunteer of the Year

Rachel and Stuart Boardman

Barry and Irene May

Ambassador

Angela Gakis

John Wilson and Alison Bird

Going the Extra Mile

Mark Tonks, Director, Orange and Blue Action

Jacqui Drain

Top Ind Fundraiser

AW Dawson

Jaguar Land Rover

Corporate Partner of the Year

Be More Roar

Linda Aitchison

Making a difference Award

Andy Longhurst

Charlotte Shutt



Fundraising events



Half Marathon, Long Walk Home, Edinburgh to Middlesborough Bike Ride, London Marathon,

Here is our simple A-Z list of fundraising ideas

<https://buddybagfoundation.co.uk/wp-content/uploads/2018/08/a-z.pdf>

Buddy Bag Ball 2018



We would like to say a very big thank you to all of our guests who attended the Charity Black Tie Ball at Moorhall Hotel & Spa, Sutton Coldfield on Friday 20th November 2018. We are so grateful to everybody who came and supported us. A huge thanks goes to all of our amazing sponsors who helped make the event happen.

We are very pleased to announce that we raised a whopping £6,225 that equates to 249 Buddy Bags. With the money that was raised we are able to make a difference to another 249 children entering emergency accommodation in the UK!

Founder nominated as Lorraine's Woman of the Year 2018



Karen Williams, Founder of BBF was one of three remarkable women singled out as an inspiration by Theresa May when she appeared as a finalist in the Lorraine Show's Woman of the Year on Monday 15 October 2018.

Earlier, Lorraine Kelly had dubbed Karen an 'amazing woman' while TV presenter Dr Hilary Jones called her work with The Buddy Bag Foundation 'fantastic'.

Theresa May said: 'People often assume it's famous women from history or a big player on the world stage who are my inspiration.

'But it's not, it's women such as Karen who are doing extraordinary things and helping children, not for any fanfare, which helps make this country the great place it is.'

She was one of just three brilliantly inspirational finalists chosen by judges for the annual competition run by the breakfast TV favourite. The winner was Andrea Smith who founded a football academy in Swansea for youngsters with autism.

Karen was speechless when she was surprised by presenter Dr Hilary Jones while she was on holiday in Dubrovnik.

Lorraine paid tribute to Karen for such a 'great, practical and common-sense idea but filled with love.'

Karen thanked everyone who had voted for her and said she'd very much appreciated the opportunity to 'put BBF on the map.'

Awards

March 2018 – Karen Williams, Founder – Networker of the Year award

August 2018 - Karen Williams, Founder - Happy List Award –Listed Nr 14

<https://www.independent.co.uk/life-style/the-independent-happy-list-2018-trump-brexit-austerity-britain-a8503691.html?fbclid=IwAR2-1MjiGMFzHxc6LkUFitR6HqsmSZ1RS66Sr8Q-0j-r8QNu6cW7E5KAAgc>



September 2018 – Karen Williams, Founder - Winner of the Outstanding Women - Community Impact Award at EMWA Awards 2018 –

October 2018 – Karen Williams, Founder – Lorraine Kelly, Women of the Year Finalist

Partnering with Buddy Bag Foundation

Corporate Social Responsibility or CSR, centres around embracing and giving back to your local community. Companies throughout the UK are reaping the benefits of making a difference and engaging with their local causes, plus raising their profile whilst doing so.

So, why should *you* get involved with The Buddy Bag Foundation?

1. You can make a positive impact in YOUR area
 - 100% of money raised goes directly back into local communities.
 - You can join us for one of our upcoming [Buddy Bag Brigades](#)
2. Creates fantastic exposure for your brand
 - What better way to strengthen your brand by associating with a worthwhile cause?
 - We have the incredible support of our star [Patrons](#)
3. Strengthens relationships with your customers
 - By supporting your local community, this will have a huge positive impact on your customer relationships, showing them you care.
 - Our social presence is felt within the community and online via our social media channels [Facebook](#), [Twitter](#) and [Instagram](#)
4. Encourages employee engagement and attracts potential employees
 - In helping local causes, it will make your company desirable to potential employees and your current employees will be proud to be giving something back.
 - You can view case studies from the companies we have worked with through our Corporate Partnerships [here](#)
5. Enhances client relationships
 - Just like your employees, giving back to your local community shows you in an extremely positive light to your client base.
 - Visit our [Postcard gallery](#) to see why our Buddy Bags are loved so much!
6. Helps to build your team, boosting self-improvement for all
 - Playing a vital part in our bag pack events helps communication, compassion and self-fulfilment for the whole team.
 - Our [Buddy Bag Brigade events](#) welcome all ages & abilities, showing how working together can make such a difference!

Our current partners include: Vodafone, Utility Warehouse, Jaguar Land Rover, Amazon, Palletforce, AW Dawson, Wesleyan Assurance, Four Oaks Financial Services, NCS, Prince's Trust



The Buddy Bag Foundation

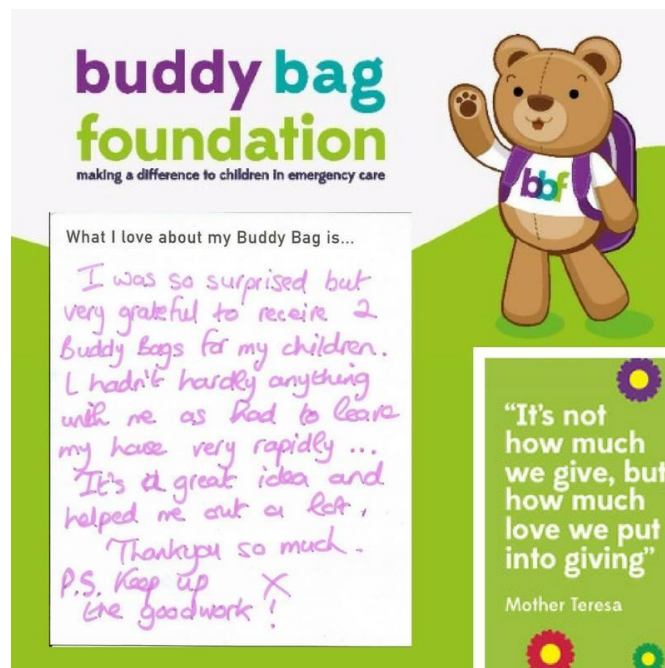
For further detail on how you can be part of our CSR Team Building initiative

<https://buddybagfoundation.co.uk/partnering-with-the-buddy-bag-foundation/>



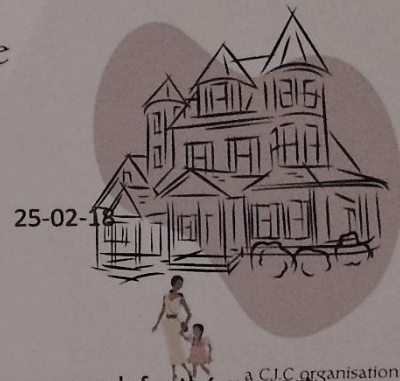
Testimonials

We continue to receive "Thank You" cards from the children who receive our Buddy Bags.
 "What I love about my Buddy Bag is? "



Betterdays Homes for Domestic Violence

Working Against Domestic Violence



Good day Pam, Just a quick note to say thank you very much for the support that you all have given or services for the past few years!... Our little ones truly appreciate it.

The children are always anxious to get in them and so look forward to their treats! It's always interesting to see how they all utilise their bags!

It's become a part of the dress code for some to walk around with and others look forward to using it for school.

As you know that we are a charity that receive very little funding and grants so we depend on services such as yours! You make a big difference to a lot of families who struggle with funds to get the little extras that are so simple! We look forward to your donations each year and again, we Thank You for always thinking of us!

We hope that you keep up the good work that you and your staff do to support the community and wish you every success in the future!

Thank you again and look forward to seeing you later in the year.

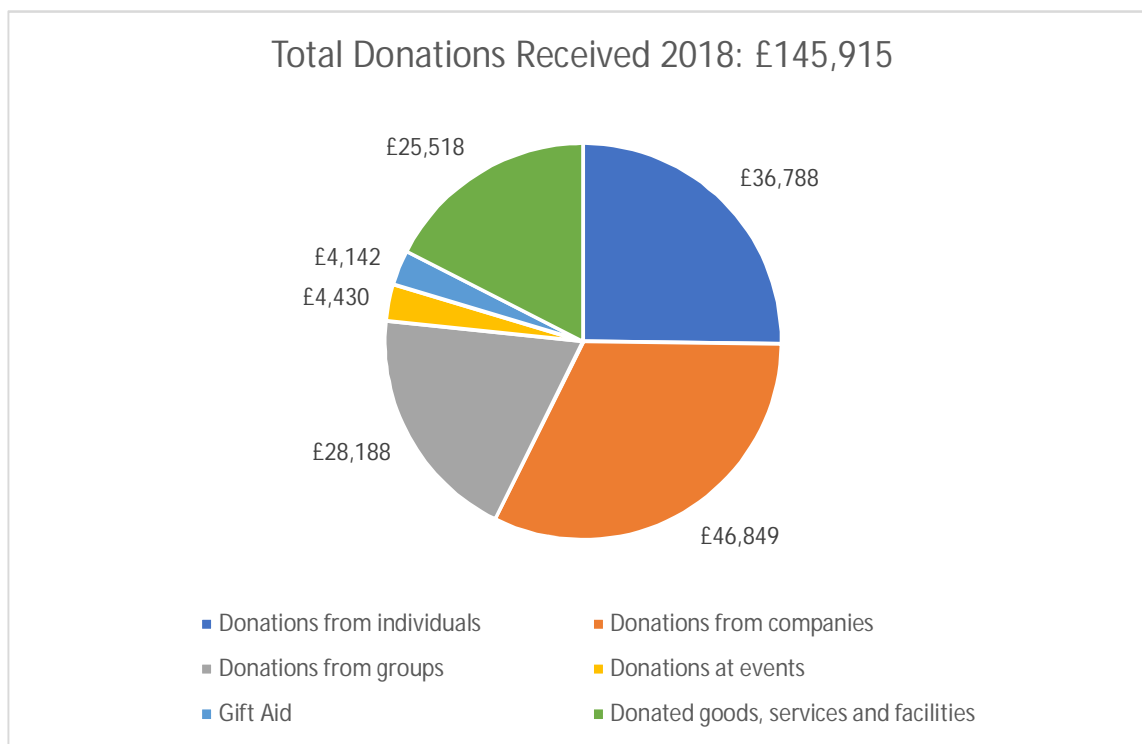
Kind Regards,

Cynthia Monteverde

Founder/Manager

Financial Review

Donations received



Income from donations and legacies increased by £60,151 (70%) from £85,764 in 2017 to £145,915 in 2018.

These cash donations of £120,397 (2017: £68,180) were received from individuals 31%, companies 39%, groups 23%, donations received at events 3.7% and Gift Aid claimable on donations 3.4%.

Donations received included:

Charity of the year	Jaguar Land Rover	£7,175
	AW Dawsons	£6,950
	Moor Hall Hotel and Spa	£3,170
Supermarket charity token drops	John Lewis and Waitrose	£13,890
	Co-op	£4,125
	Tesco	£4,000
Groups	DMS Whittington	£2,270
	Oak Foster Childrens Home	£2,180
	Rotary Clubs	£5,250
	Free Masons	£4,850
	Schools	£4,450

These amazing increases reflect the consistent effort made by the ambassadors, supporters and trustees.

Donated goods, professional services and donated facilities

The Charity is very grateful for the generous donations of goods, professional services and facilities it has received.

This year donations of goods, services and facilities totalled £25,518 (2017: £17,584), an increase of £7,934 (45%).

Non-cash donations received this year include:



T shirts for teddies
£4,500



Knitted toys
£3,975



Toiletries and picture frames
£1,610



Courier services
£7,200



Packaging boxes
£2,500

We thank the hundreds of volunteers who have each donated two hours of their time to support the 24 Buddy Bag Brigades, and the many volunteers who generously hand knit so many cuddly toys.

We are grateful to all the organisations and individuals who generously sponsored and donated their professional services which totalled £4,400 (2017: £4,350).

We would also like to thank the organisations that have kindly donated their halls and rooms to allow us to hold Buddy Bag Brigades and to host fundraising events which totalled £1,295 (2017: £1,225).

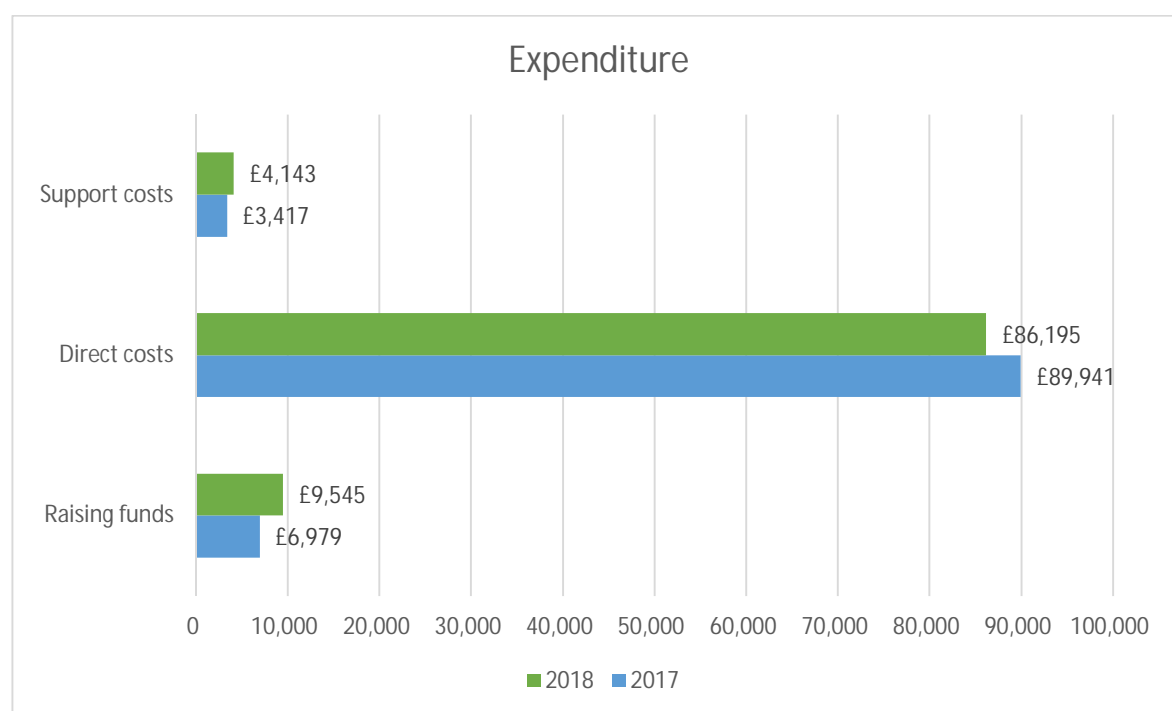
Together, our work becomes possible.

As stated in the accounting policy note 1, donated goods, donated professional services and donated facilities are recognised as income in the Statement of Financial Activities. The general volunteer time of the volunteers attending Buddy Bag Brigade events and other events is not recognised.

Fundraising activities

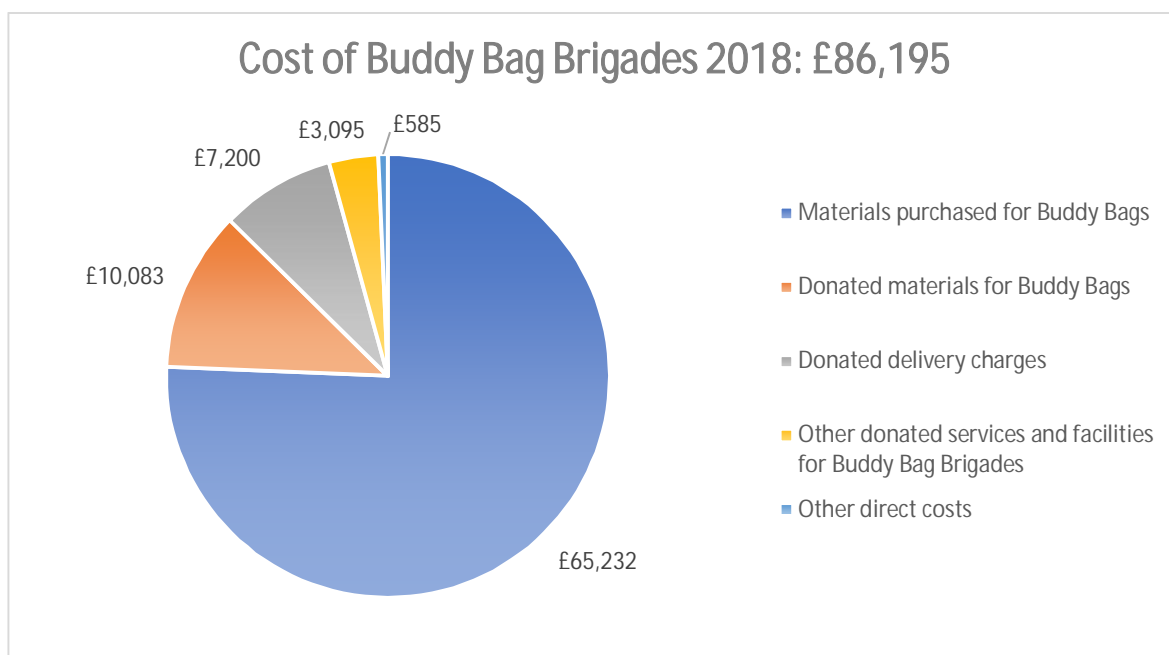
This year income of £6,098 has been specifically identified with fundraising activities organised by the charity, the trustees and the ambassadors. This includes the Buddy Bag Foundation Ball which raised £3,055 on top of donations.

Expenditure



Expenditure on raising funds totalled £9,545 (2017: £6,979) of which in 2018 £5,336 was restricted funds. Unrestricted expenditure of £4,209 consisted of processing charges on income received £1,133, Just Giving membership fee £216, donated goods, services and facilities for fundraising activities and events £2,650 and other expenses £210.

Direct costs are those costs incurred in creating the Buddy Bags and in supplying them to the children.



Buddy Bag Brigades are the events at which Buddy Bags are crafted. They cost £86,195 (2017: £89,941).

Karen Williams has been successful in sourcing the materials purchased for Buddy Bags at reduced cost. This is a continuous process to ensure reliability of deliveries and consistent quality of the items whilst ensuring value for money.

Support costs totalled £4,143 (2017: £3,417) of which £2,256 were covered by restricted funds. The expenditure from unrestricted funds of £1,887 comprised storage costs for the materials before being used in Buddy Bag Brigades of £290, donated services and facilities £1,540 and other support costs £57.

Financial position

The Trustees are very satisfied with the financial position at 31 December 2018. The charity had £79,016 at the bank (2017: £29,344).

The charity aims to hold cash reserves sufficient to fund a minimum of three months of Buddy Bag Brigades. This is calculated as if the charity had to buy all facilities, goods and services at market values. This policy is regularly reviewed by the Trustees.

Live Love Laugh Limited generously makes donations to the Charity which are specifically designated to cover the administration costs. These are the restricted funds. In 2019 a new programme of Angels has been launched. The Angels make their donations specifically as restricted funds to cover the administration costs.



Structure, Governance and Management

Governing document

The Buddy Bag Foundation is a Charitable Incorporated Organisation governed by its Constitution amended on 3 March 2018. It is registered with the Charity Commission in England and Wales, registered number 1164916.

Appointment of trustees

Trustees are appointed for a term of one year by a resolution passed at a properly convened meeting of the Charity trustees.

In selecting individuals for appointment as a Charity trustee, the Charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Trustee induction and training

New trustees receive a copy of the current version of the constitution and the latest Trustees' Annual Report and Unaudited Financial Statements.

The CEO gives individual induction to new trustees, informing them about the work of the Foundation, the expectations of the board and the decision-making processes.

Organisation

The Constitution provides for a maximum number of 12 trustees serving on the board of trustees, which administers the charity. The board of trustees meets between four and six times per year. From its members, the board of trustees nominates a Chairman, a Chief Executive and a Treasurer, who manage the day-to-day operations of the charity.

The board of trustees is supported by an advisory board, who provide additional advice and expertise. They make non-binding recommendations to the board of trustees. Members of the advisory board are appointed by the board of trustees, who also have the authority, in its sole and absolute discretion, to remove any member of the advisory board at any time for any reason.

The Foundation does not have any employees and it does not provide any remuneration to any of its trustees, ambassadors or advisory board members.

Subsidiary company

Under the law of England and Wales, charities may engage in some types of trading, subject to restrictions.

To enable additional fundraising activities, (for example running fundraising balls and providing events on a commercial basis to businesses), on 8 June 2018 the Trustees incorporated The Buddy



Bag Ltd as a wholly-owned subsidiary company limited by shares incorporated in England and Wales. This company has not yet traded and is currently dormant.

Related parties

Live Love Laugh Limited generously makes donations to the Charity which are specifically designated to cover the administration costs. Live Love Laugh Limited is controlled by Karen Williams (Trustee) and Chris Williams (Advisory Board Member).

Karen Williams (Trustee) and Chris Williams (Advisory Board Member) are the parents of Harry Williams (Trustee). The Charity's internal processes and procedures ensure that duties are segregated appropriately to trustees outside the Williams family.

Zeeshan Masood (Trustee) and Dr Kamran Shaikh (Advisory Board Member) are directors of Morgan Reach, who are accountants to the Charity. Morgan Reach generously donate professional services and sponsor some of the fundraising events. Since the year end Mr Masood and Dr Shaikh have each resigned.



Reference and Administrative Details

Charity registered number: 1164916

Registered address: 10 Grange Farm Court, Linton, Swadlincote, DE12 6RP

Trustees

The trustees serving during the year ended 31 December 2018 and since the year end were as follows:

		Date appointed/resigned as trustee
Chairman	H E Williams	
CEO	K S Williams	
Treasurer	Z Masood	Resigned 23 May 2019
(until 31 March 2019)		
Trustee	N S Wallis	
Treasurer (from 31 March 2019)		
Trustees	A Henry	
	R Halbert	Resigned 21 February 2019
	C Birchall	Appointed 21 March 2018, resigned 05 September 2018
	B L Mabberley	Appointed 15 October 2018

Advisory board

The advisory board members serving during the year ended 31 December 2018 and since the year end were as follows:

		Date appointed to Advisory Board
Advisory Board	C M Williams	
	Dr K H Shaikh	Resigned 07 June 2019

By order of the board of trustees on 15 October 2019

And signed on its behalf by:

H E Williams (Chairman)



INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE BUDDY BAG FOUNDATION

I report on the accounts for the period 01 January 2018 to 31 December 2018 set out on the following pages.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

It is my 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 my attention.

Basis of the independent examiner's report

My 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 statements below.

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Dr Kamran Shaikh
Morgan Reach Chartered Certified Accountants
Morgan Reach House
136 Hagley Road
Birmingham
West Midlands
B16 9NX

Date: 15 October 2019

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
INCOME					
Donations and legacies	2	142,948	2,967	145,915	85,764
Other trading activities	3	3,698	2,400	6,098	9,395
Investment income		17	0	17	3
Total income		146,663	5,367	152,030	95,162
EXPENDITURE					
Raising funds	4	4,209	5,336	9,545	6,979
Charitable activities					
Direct costs	5	86,195	0	86,195	89,941
Support costs	5	1,887	2,256	4,143	3,417
Total expenditure		92,291	7,592	99,883	100,337
NET INCOME/(EXPENDITURE)		54,372	(2,225)	52,147	(5,175)
RECONCILIATION OF FUNDS					
Total funds brought forwards		26,979	2,538	29,517	34,692
Total funds carried forwards		81,351	313	81,664	29,517

The notes form part of these financial statements



BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Investment	7	100	0
Total fixed assets		<u>100</u>	<u>0</u>
CURRENT ASSETS			
Stock		100	100
Debtors	8	5,494	382
Cash at bank and in hand		79,016	29,344
Total current assets		<u>84,610</u>	<u>29,826</u>
Creditors falling due within one year	9	(3,046)	(309)
Net current assets		<u>81,564</u>	<u>29,517</u>
NET ASSETS		<u>81,664</u>	<u>29,517</u>
FUNDS OF THE CHARITY			
Restricted income funds	10	313	2,538
Unrestricted funds	10	81,351	26,979
TOTAL CHARITY FUNDS		<u>81,664</u>	<u>29,517</u>

The financial statements were approved by the Board of Trustees on 15 October 2019 and were signed on its behalf by:

H E Williams (Chairman)

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

a) Basis of preparing the financial statements

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006.

The Buddy Bag Foundation 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 note(s).

b) Group financial statements

The Trustees have taken advantage of the exemption contained in Part 3, Chapter 3, S 19.(1)(a) of The Charities (Accounts and Reports) Regulations 2008 to not prepare group accounts, on the grounds that the inclusion of the subsidiary undertaking is not material for the purposes of giving a true and fair view. The subsidiary company has never traded and is currently dormant. Its share capital is £100 allotted, issued and fully paid.

c) Income

Donated goods, donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the volunteers attending Buddy Bag Brigade events and other events is not recognised. Refer to the trustees' annual report for more information about their contribution.

On receipt, donated goods, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

d) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

e) Investments

Investment in the subsidiary company is valued at cost less provision for impairment.

f) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

g) Taxation

The charity is exempt from tax on its charitable activities.

h) Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Donations from individuals	35,717	1,071	36,788	25,007
Donations from companies	45,903	946	46,849	10,773
Donations from groups	28,188	0	28,188	16,148
Donations at events	4,430	0	4,430	13,289
Gift Aid	4,142	0	4,142	2,963
Donated goods, services and facilities	24,568	950	25,518	17,584
	<u>142,948</u>	<u>2,967</u>	<u>145,915</u>	<u>85,764</u>

3 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Net income from fundraising events	3,698	2,400	6,098	9,395

4 Raising funds expenditure

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Processing charges on income received	1,133	0	1,133	845
Just Giving membership fee	216	0	216	216
London Marathon entry fee	0	0	0	195
Donated goods, services and facilities for fundraising activities and events	2,650	0	2,650	3,400
Promotional expenses	0	4,414	4,414	1,050
Other expenses	210	922	1,132	1,273
	4,209	5,336	9,545	6,979

5 Cost of charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
DIRECT COSTS				
Materials purchased for Buddy Bags	65,232	0	65,232	77,120
Donated materials for Buddy Bags	10,083	0	10,083	4,246
Donated delivery charges	7,200	0	7,200	6,900
Other donated services and facilities for Buddy Bag Brigades	3,095	0	3,095	1,675
Other direct costs	585	0	585	0
Cost of Buddy Bag Brigades	86,195	0	86,195	89,941
SUPPORT COSTS				
Storage costs	290	0	290	420
Administrative services	0	1,074	1,074	936
Insurance donated	0	350	350	333
Donated services received and facilities for trustee meetings	1,540	100	1,640	1,363
Other support costs	57	732	789	365
Support costs	1,887	2,256	4,143	3,417
Total charitable activities expenditure	88,082	2,256	90,338	93,358

6 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2018.

7 Investment

The charity holds 100 shares of £1 each in its wholly owned trading subsidiary company The Buddy Bag Ltd which is incorporated in England and Wales. These shares are allotted, called up and fully paid. The company has never traded and is currently dormant.

8 Debtors

	2018 £	2017 £
Income receivable donations and Gift Aid	5,150	382
Prepaid expenses	344	0
	<u>5,494</u>	<u>382</u>

9 Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	3,026	1,317
Other creditors	20	(1,008)
	<u>3,046</u>	<u>309</u>

10 Movement in funds

Current year

	Unrestricted Funds £	Restricted Funds £	Total Funds £
At 01 January 2018	26,979	2,538	29,517
Income	146,663	5,367	152,030
Expenditure	(92,291)	(7,592)	(99,883)
At 31 December 2018	<u>81,351</u>	<u>313</u>	<u>81,664</u>



Previous year

	Unrestricted Funds £	Restricted Funds £	Total Funds £
At 01 January 2017	29,910	4,782	34,692
Income	92,547	2,615	95,162
Expenditure	(95,478)	(4,859)	(100,337)
At 31 December 2017	<u>26,979</u>	<u>2,538</u>	<u>29,517</u>

Purpose of restricted funds

Restricted funds are donations and donated services and facilities which are specifically designated to cover the administration costs.

11 Related party disclosures

Live Love Laugh Limited generously makes donations to the Charity which are specifically designated to cover the administration costs. Live Love Laugh Limited is controlled by Karen Williams (Trustee) and Chris Williams (Advisory Board Member).

Zeeshan Masood (Trustee) and Dr Kamran Shaikh (Advisory Board Member) are directors of Morgan Reach, who are accountants to the Charity. Morgan Reach generously donate professional services and sponsor some of the fundraising events.