

Reading Community Welfare Rights Unit

Charity No. 1074557

Company No. 03626105

Trustees' Report and Unaudited Accounts

31 March 2019

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TRUSTEES ANNUAL REPORT

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 31 March 2019.

REFERENCE AND ADMINISTRATIVE DETAILS Company No. 03626105 Charity No. 1074557

Registered Office

South Reading Community Hub
252 Northumberland Avenue Reading Berkshire
RG2 7QA

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law. The following Directors and Trustees served during the year:

M. Ayub
P. Beard

R. Davies	(Resigned 20 August 2018)
J.L. Hughes	
P.G. Kayes	
R. McEwan	
L.K. Owen	
J. Stanford-Beale	(Resigned 20 August 2018)
P. Thomas	

Accountants

Lambert Martin Ltd
33 Old Bath road Sonning
Reading Berkshire
RG4 6SY

OBJECTIVES AND ACTIVITIES

The objectives of the service are to benefit the population of Greater Reading by the relief of poverty, sickness and distress. These objectives are achieved by giving advice and assistance to people in respect of their rights to benefits as required.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit both when reviewing the service's aims and objectives and when planning its future activities.

ACHIEVEMENTS AND PERFORMANCE

The service continues to meet its performance objectives by careful targeting of its resources. Demand for its services continues to increase and this is likely to continue within the current political environment of "Austerity".

The unit has been able to maintain its work with two strong partnerships, 'Narrowing the gap' funded by Reading Borough Council, and Stronger Together partnership, funded by the European Social Fund and the National Lottery Community Fund.

Driven by the excess demand for our services, the Unit has been seeking additional sources of funding in order to increase capacity. During the year two additional grants were secured which have enabled a modest increase in staff hours

The move to South Reading, an Area with high levels of deprivation, was a strategic one encouraged by Reading Borough Council and has made us more accessible to this community which now represents an increased proportion of our clients

A tribute must be paid to the staff of the Unit for their dedication and continuing commitment to ensure that our service has been able to continue during this difficult period. Clients are constantly thanking our staff for the help they have provided and are highly complementary about the quality of the support they receive. I also extend my thanks to the other members of the board for their support, and our finance officer and our volunteer fundraiser for their work on our behalf

FINANCIAL REVIEW

Reading Borough council is presently the principle funder of RCWRU services, with funding also provided by the European Social Fund and The National Lottery Community Fund. Additionally the charity also secured a small grant from the London Legal Trust, and also had a residual element of a grant from the Earley Charity. RCWRU has an established policy of endeavouring to hold two months of expenditure as its unrestricted reserve. At present this would represent around £17,000, but in current financial climate this has not been possible.

The charity has been able to continue to operate during 2018-19, but not without having to make significant saving, which have been achieved by restructuring and a planned relocation to reduce our costs. Going forward the charity has a breakeven budget for 2019-20 and expects to maintain this in future years.

STRUCTURE, GOVERNANCE AND MANAGEMENT

RCWRU is controlled by its governing document, The memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. In accordance with the Memorandum of Association each present member has undertaken to contribute the sum of £1 in the event of winding up. As the service is a registered charity, any surplus upon a winding up would be distributed to another charity with similar objects, as the members are prohibited from benefiting from the company.

The Board seeks to recruit new trustees from the wider community in Reading to provide a range of skills and views.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees 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 above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Reading Community Welfare Rights Unit
TRUSTEES ANNUAL REPORT

Signed on behalf of the board

A handwritten signature in black ink, appearing to be 'P.G. Kayes', written in a cursive style.

P.G. Kayes

Trustee

25 June 2019

INDEPENDENT EXAMINERS REPORT

Independent Examiner's Report to the trustees of Reading Community Welfare Rights Unit

I report to the charity trustees on my examination of the accounts of Reading Community Welfare Rights Unit for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes.

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 accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act).

Having satisfied myself that the accounts 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 your charity's accounts 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

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

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements under 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
- the accounts have not been prepared in accordance with the Charities SORP (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 accounts to be reached.



Julian Ansell
FCCA
19 Brooklyn Drive
Caversham
Reading
RG4 8SR

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2019

		Unrestricte d funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Notes				
Income and endowments from:					
Donations and legacies	4	50	-	50	-
Charitable activities	5	2,500	92,224	94,724	149,560
Other	6	-	-	-	11,198
Total		2,550	92,224	94,774	160,758
Expenditure on:					
Other	7	3,409	90,551	93,960	175,375
Total		3,409	90,551	93,960	175,375
Net gains on investments		-	-	-	-
Net income/(expenditure)	8	(859)	1,673	814	(14,617)
Net income/(expenditure) before other gains/(losses)		(859)	1,673	814	(14,617)
Other gains and losses:					
Net movement in funds		(859)	1,673	814	(14,617)
Reconciliation of funds:					
Total funds brought forward		(17,238)	3,969	(13,269)	1,348
Total funds carried forward		(18,097)	5,642	(12,455)	(13,269)

Reading Community Welfare Rights Unit
SUMMARY INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2019

	2019 £	2018 £
Income	94,774	160,758
Gross income for the year	<u>94,774</u>	<u>160,758</u>
Expenditure	92,925	174,127
Interest payable	19	-
Depreciation and charges for impairment of fixed assets	1,016	1,248
Total expenditure for the year	<u>93,960</u>	<u>175,375</u>
Net income/(expenditure) before tax for the year	814	(14,617)
Net income /(expenditure)for the year	<u>814</u>	<u>(14,617)</u>

Reading Community Welfare Rights Unit

BALANCE SHEET

at 31 March 2019

Company No. 03626105	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	10	2,033	-
		<u>2,033</u>	<u>-</u>
Current assets			
Debtors	11	400	16,573
Cash at bank and in hand		17,681	3,618
		<u>18,081</u>	<u>20,191</u>
Creditors: Amount falling due within one year	12	(32,569)	(33,460)
Net current liabilities		<u>(14,488)</u>	<u>(13,269)</u>
Total assets less current liabilities		<u>(12,455)</u>	<u>(13,269)</u>
Net liabilities excluding pension asset or liability		<u>(12,455)</u>	<u>(13,269)</u>
Total net liabilities		<u>(12,455)</u>	<u>(13,269)</u>
The funds of the charity			
Restricted funds	13		
Restricted income funds		5,642	3,969
		<u>5,642</u>	<u>3,969</u>
Unrestricted funds	13		
General funds		(18,097)	(17,238)
		<u>(18,097)</u>	<u>(17,238)</u>
Reserves	13		
Total funds		<u>(12,455)</u>	<u>(13,269)</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year ended 31 March 2019 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

Approved by the board on 25 June 2019

And signed on its behalf by:



P.G. Kayes

Trustee

25 June 2019

for the year ended 31 March 2019

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
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Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
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Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
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Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
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Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
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Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
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Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual grants that have been approved by the trustees at the end of the year but not yet paid for
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NOTES TO THE ACCOUNTS

- Governance costs These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
- Other expenditure These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Trade and other debtors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2 Company status

The company is a private company limited by guarantee and consequently does not have share capital.

NOTES TO THE ACCOUNTS

3 Statement of Financial Activities - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Income and endowments from:			
Charitable activities	-	149,560	149,560
Other trading activities	11,198	-	11,198
Total	11,198	149,560	160,758
Expenditure on:			
Charitable activities	27,384	124,985	152,369
Other	2,400	20,606	23,006
Total	29,784	145,591	175,375
Net income	(18,586)	3,969	(14,617)
Net income before other gains/(losses)	(18,586)	3,969	(14,617)
Other gains and losses:			
Net movement in funds	(18,586)	3,969	(14,617)
Reconciliation of funds:			
Total funds carried forward	(18,586)	3,969	(14,617)

4 Income from donations and legacies

Unrestricted	Total 2019	Total 2018
£	£	£
50	50	-
50	50	-

5 Income from charitable activities

	Unrestricted	Restricted	Total 2019	Total 2018
	£	£	£	£
Contract Income	-	81,666	81,666	108,167
Grant Income	2,500	10,558	13,058	41,393
	<u>2,500</u>	<u>92,224</u>	<u>94,724</u>	<u>149,560</u>

6 Other income

Total 2019	Total 2018
£	£
-	11,198
-	11,198

7 Other expenditure

	Unrestricted	Restricted	Total 2019	Total 2018
	£	£	£	£
Moving costs	-	2,014	2,014	-
Other interest payable	19	-	19	-
Employee costs	(1)	67,831	67,830	125,030
Motor and travel costs	-	24	24	-
Premises costs	1	4,555	4,556	27,820
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	-	1,016	1,016	-
General administrative costs	368	14,266	14,634	16,095
Legal and professional costs	3,022	845	3,867	6,430
	<u>3,409</u>	<u>90,551</u>	<u>93,960</u>	<u>175,375</u>

8 Net income/(expenditure) before transfers

	2019	2018
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	1,016	-
Independent Examiner's fee	-	2,400
Other fees paid to the auditor or independent examiner	-	1,630

NOTES TO THE ACCOUNTS

9 Staff costs

Salaries and wages	66,530	118,749
Social security costs	399	5,676
Pension costs	627	547
	<u>67,556</u>	<u>124,972</u>

No employee received emoluments in excess of £60,000.

The average monthly number of full time equivalent employees during the year was as follows:

	2019 Number	2018 Number
Manager/Caseworker	1	1
Caseorker/ specialist advisor	2	3
Associate	-	2
Advisor/Administrator	-	1
Office Administration	-	1
Assistant	-	1
Accountant	-	1
	<u>3</u>	<u>8</u>

10 Tangible fixed assets

	£	£
Cost or revaluation		
At 1 April 2018	1,248	1,248
Additions	3,049	3,049
At 31 March 2019	<u>4,297</u>	<u>4,297</u>
Depreciation and impairment		
At 1 April 2018	1,248	1,248
Depreciation charge for the year	1,016	1,016
At 31 March 2019	<u>2,264</u>	<u>2,264</u>
Net book values		
At 31 March 2019	<u>2,033</u>	<u>2,033</u>
At 31 March 2018	<u>-</u>	<u>-</u>

11 Debtors

	2019 £	2018 £
Trade debtors	-	11,198
Other debtors	-	3,969
Prepayments and accrued income	400	1,406
	<u>400</u>	<u>16,573</u>

Reading Community Welfare Rights Unit
NOTES TO THE ACCOUNTS

12 Creditors:

amounts falling due within one year

	2019	2018
	£	£
Trade creditors	869	4,575
Other taxes and social security	7	2,421
Other creditors	18,526	18,589
Accruals and deferred income	13,167	7,875
	<u>32,569</u>	<u>33,460</u>

13 Movement in funds

	At 1 April 2018	Incoming resources (including other gains/losses) £	Resources expended £	At 31 March 2019 £
Restricted funds:				
Restricted income funds:				
Reading Borough Council	3,969	92,224	(90,551)	5,642
<i>Total</i>	<u>3,969</u>	<u>92,224</u>	<u>(90,551)</u>	<u>5,642</u>
Unrestricted funds:				
General funds	(17,238)	2,550	(3,409)	(18,097)
Revaluation Reserves:				
Total funds	<u>(13,269)</u>	<u>94,774</u>	<u>(93,960)</u>	<u>(12,455)</u>

14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	2,033	-	2,033
Net current assets	-	(14,488)	(14,488)
	<u>2,033</u>	<u>(14,488)</u>	<u>(12,455)</u>

NOTES TO THE ACCOUNTS

15 Commitments

Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2019	2019	2018	2018
	Land and	Other	Land and	Other
	buildings		buildings	
	£	£	£	£

Operating leases with expiry date:

Pension commitments

	2019	2018
	£	£
The pension cost charge to the company amounted to:	<u>627</u>	<u>547</u>
Unpaid contributions due to the fund are included in other creditors and amounted to:	<u>110</u>	<u>89</u>

16 Related party disclosures

Controlling party

The company is limited by guarantee and has no share capital; thus no single party controls the company.

There were no related party transactions

Reading Community Welfare Rights Unit
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2019

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2019	2019	2019	2018
	£	£	£	£
Income and endowments from:				
Donations and legacies	50	-	50	-
	50	-	50	-
Charitable activities				
Contract Income	-	81,666	81,666	-
Grant Income	2,500	10,558	13,058	149,560
	2,500	92,224	94,724	149,560
Other	-	-	-	11,198
	-	-	-	11,198
Total income and endowments	2,550	92,224	94,774	160,758
Expenditure on:				
Other expenditure				
Moving costs	-	2,014	2,014	-
Other interest payable	19	-	19	-
	19	2,014	2,033	-
Employee costs				
Salaries/wages	1	66,529	66,530	118,749
Employer's NIC	-	399	399	5,676
Pension costs	-	627	627	547
Staff training	(2)	165	163	-
Staff welfare	-	111	111	58
	(1)	67,831	67,830	125,030
Motor and travel costs				
Travel and subsistence	-	24	24	-
	-	24	24	-
Premises costs				
Rent	-	1,801	1,801	22,528
Rates	-	-	-	-
Light, heat and power	-	2,652	2,652	4,044
Other premises costs	1	102	103	1,248
	1	4,555	4,556	27,820
General administrative costs, including depreciation and amortisation				
Depreciation of	-	1,016	1,016	-
Bank charges	90	179	269	323
Equipment expensed	-	342	342	-

Reading Community Welfare Rights Unit
DETAILED STATEMENT OF FINANCIAL ACTIVITIES

Equipment repairs and maintenance	-	107	107	-
General insurances	-	1,728	1,728	2,354
Information and publications	-	265	265	-
Postage and couriers	-	71	71	2,323
Software, IT support and related costs	-	5,689	5,689	5,497
Subscriptions	-	1,108	1,108	1,081
Sundry expenses	201	1,048	1,249	13
Telephone, fax and broadband	77	3,729	3,806	4,504
	<u>368</u>	<u>15,282</u>	<u>15,650</u>	<u>16,095</u>
Legal and professional costs				
Audit/Independent examination fees	-	-	-	2,400
Accountancy and bookkeeping	3,022	845	3,867	-
Other legal and professional costs	-	-	-	4,030
	<u>3,022</u>	<u>845</u>	<u>3,867</u>	<u>6,430</u>
Total of expenditure of other costs	<u>3,409</u>	<u>90,551</u>	<u>93,960</u>	<u>175,375</u>
Total expenditure	<u>3,409</u>	<u>90,551</u>	<u>93,960</u>	<u>175,375</u>
Net gains on investments	-	-	-	-
	<u>(859)</u>	<u>1,673</u>	<u>814</u>	<u>(14,617)</u>
Net income/(expenditure)				
Net income/(expenditure) before other gains/(losses)	<u>(859)</u>	<u>1,673</u>	<u>814</u>	<u>(14,617)</u>
Other Gains	-	-	-	-
	<u>(859)</u>	<u>1,673</u>	<u>814</u>	<u>(14,617)</u>
Net movement in funds				