

Charity registration number 1014416

Company registration number 02745625 (England and Wales)

**RAW WORKSHOP**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# RAW WORKSHOP

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	J McLaughlin (Chair) P L Agulnik G S Ballantyne R L Berry L Smith J Humphries	(Appointed 16 November 2022)
<b>Charity number</b>	1014416	
<b>Company number</b>	02745625	
<b>Registered office</b>	Dunnock Way Blackbird Leys Oxford OX4 7EX	
<b>Auditor</b>	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP	
<b>Bankers</b>	Barclays Bank plc 54 Cornmarket Street Oxford OX1 3HS	

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# RAW WORKSHOP

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# RAW WORKSHOP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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The trustees present their annual report and financial statements for the year ended 31 March 2022.

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 charitable company'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)" (effective 1 January 2019).

### Overview of the Year and Future Plans

In the year, RAW's social enterprises continued to generate increased positive social impact and trading income. The post-Covid era has seen a shift towards UK made products and services with social impact built-in and, combined with restricted international supply chains, has also enabled RAW to further develop its commercial client base. Still, over 75% of RAW's outstanding workforce have walked some of life's hardest paths and are at the heart of all we do.

We have also benefitted from being engaged by clients at an earlier stage of projects and working more closely with design teams. This has led to new insights, products and strong collaborative working practices. Nascent strategic alliances with large firms, notably in the construction/house building sector, are further helping us increase social impact and revenue opportunities.

The legacy of Covid has impacted significantly on the wellbeing of young people and the numbers of young people seeking support, often with complex and multiple needs, has risen fast. Accordingly RAW has grown the provision of its youth support services. Continued partnerships with Oxford Health NHS CAMHS, an expanded Alternative Education Provision and significant new work with Thames Valley Police Violence Reduction Unit have seen RAW able to support more young people than ever before.

Our focus points for the year ahead include:

- Maximising our opportunities to generate social impact, environmental sustainability and trading income
- Continued expansion of services for young people
- Development of our circular economy model
- Expand strategic commercial and third-sector partnership opportunities

### Fundraising Standards Information

- Members of the fundraising department organise fundraising events and co-ordinate the activities of our supporters on behalf of the Charity. The Workshop has used the services of a professional fundraiser during the period. There have been no complaints about fundraising activity this year.
- The fundraising department has signed up to the Fundraising Regulator's Code of Fundraising Practice. As a result, internal fundraising guidance and working practices have been updated so that they are compliant. All fundraisers are now given a briefing before they raise funds for the Charity and will also be given annual updates/reminders.
- All direct marketing is undertaken by the fundraising department to ensure that it is not unreasonably intrusive or persistent. Contact is made through direct marketing a maximum of three times a year but usually annually. All marketing material contains clear instructions on how a person can be removed from mailing lists.

### Public Benefit Statement

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

### Achievements and performance

The charity's sales from the workshop during the period amounted to £616,281 (2021: £391,574). The charitable expenditure amounted to £790,897 (2021: £623,738) including governance costs of £7,479 (2021: £9,051). After these costs the charity's deficit was £174,616 (2021: £232,164). However other income of £446,466 (2021: £348,395) resulted in an overall surplus of £184,216 (2021: £45,903) after fundraising, marketing and development costs of £87,634 (2021: £70,328).

# RAW WORKSHOP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Financial review

The unrestricted reserves of the charity, which are not tied up in fixed assets or represented by long term liabilities (free reserves) were £212,856 at 31<sup>st</sup> March 2022 (2021: £60,468). We are grateful for the support of our donors throughout the year and the trend towards unrestricted than restricted donations.

The principal funding sources are sales income and many trusts and grant making bodies.

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### Structure, governance and management

The charitable company is a company limited by guarantee and was set up on 1 October 1992. It is governed by a Memorandum and Articles of Association.

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:

J McLaughlin (Chair)

P L Agulnik

G S Ballantyne

R L Berry

J Gibson

(Resigned 12 August 2022)

L Smith

T Nisbet

(Resigned 6 April 2022)

J Humphries

(Appointed 16 November 2022)

The Chair of the Board of Trustees undertakes the recruitment of trustees after consultation with management and the Board of Trustees. The appointed Secretary of the Trustees advises the Board of appropriate training courses available to them at their quarterly meetings.

Many people and organisations provided substantial help and assistance throughout the period which is very much appreciated by all staff, Management and Trustees. The Management and Trustees are continually grateful to all the individuals and organisations that have contributed to the charity over the past eighteen months.

### Key Management Personnel Remuneration

The Trustees consider the Board of Trustees and the General Manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 7 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

The pay of the General Manager is reviewed annually and is normally increased in accordance with average earnings. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

### Risk Management

The Trustees continue to review the financial risks facing the Charity with a view to mitigating these in the light of future plans.

The principal risks and uncertainties faced by the charity are to ensure that continuity of funding is maintained.

# RAW WORKSHOP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2022*

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### **Auditor**

In accordance with the company's articles, a resolution proposing that Critchleys Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



.....  
J McLaughlin (Chair)

**Trustee**

Date: 25.01.23  
.....

# **RAW WORKSHOP**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2022***

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The trustees, who are also the directors of RAW Workshop for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial 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 year.

In preparing these 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 in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# RAW WORKSHOP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAW WORKSHOP

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### Opinion

We have audited the financial statements of RAW Workshop (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# RAW WORKSHOP

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RAW WORKSHOP

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# RAW WORKSHOP

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RAW WORKSHOP

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- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# RAW WORKSHOP

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RAW WORKSHOP

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### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Katherine Wilkes (Senior Statutory Auditor)**  
for and on behalf of Critchleys Audit LLP

27.01.23  
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**Chartered Accountants**  
**Statutory Auditor**

Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

# RAW WORKSHOP

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<b>Income and endowments from:</b>							
Donations and legacies	3	272,313	162,153	434,466	163,195	149,200	312,395
Charitable activities	4	616,281	-	616,281	391,574	-	391,574
Other income	5	12,000	-	12,000	36,000	-	36,000
<b>Total income</b>		<b>900,594</b>	<b>162,153</b>	<b>1,062,747</b>	<b>590,769</b>	<b>149,200</b>	<b>739,969</b>
<b>Expenditure on:</b>							
Fundraising, marketing, development	6	87,634	-	87,634	70,328	-	70,328
Charitable activities	6	680,734	110,163	790,897	491,900	131,838	623,738
Gross transfers between funds		-	-	-	(785)	785	-
<b>Net income for the year/ Net movement in funds</b>		<b>132,226</b>	<b>51,990</b>	<b>184,216</b>	<b>27,756</b>	<b>18,147</b>	<b>45,903</b>
Fund balances at 1 April 2021		93,964	218,578	312,542	66,208	200,431	266,639
<b>Fund balances at 31 March 2022</b>		<b>226,190</b>	<b>270,568</b>	<b>496,758</b>	<b>93,964</b>	<b>218,578</b>	<b>312,542</b>

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.

# RAW WORKSHOP

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10		64,441		69,790
<b>Current assets</b>					
Stocks	11	12,746		7,554	
Debtors	12	142,818		38,568	
Cash at bank and in hand		614,376		305,696	
		<u>769,940</u>		<u>351,818</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(337,623)</u>		<u>(109,066)</u>	
Net current assets			432,317		242,752
<b>Total assets less current liabilities</b>			<u>496,758</u>		<u>312,542</u>
<b>Income funds</b>					
Restricted funds	15	270,568		218,578	
Unrestricted funds		226,190		93,964	
		<u>496,758</u>		<u>312,542</u>	

The financial statements were approved by the Trustees on 25.01.23 .....



.....  
J McLaughlin (Chair)  
Trustee

Company registration number 02745625

## RAW WORKSHOP

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	19		319,173		117,310
<b>Investing activities</b>					
Purchase of tangible fixed assets		(10,493)		(5,919)	
<b>Net cash used in investing activities</b>			(10,493)		(5,919)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			308,680		111,391
Cash and cash equivalents at beginning of year			305,696		194,305
<b>Cash and cash equivalents at end of year</b>			614,376		305,696

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# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

#### Charity information

RAW Workshop is a private company limited by guarantee incorporated in England and Wales. The registered office is Dunnock Way, Blackbird Leys, Oxford, OX4 7EX.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. 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 charitable company 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.

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 charitable company.

#### 1.4 Income

Income is recognised when the charitable company 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 charitable company 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 charitable company 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.

# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 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:

Improvements to Leasehold Property	over the term of the lease
Vehicles, Plant & Machinery	between 15% and 33% 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 the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company 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).

#### 1.8 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.

#### 1.9 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.



# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The charitable company 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 charitable company's balance sheet when the charitable company 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The judgement that has had the most significant effect on amounts recognised in the financial statements was the deferral of income during the year.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	69,050	162,153	231,203	57,022	149,200	206,222
Grants receivable	203,263	-	203,263	106,173	-	106,173
	<u>272,313</u>	<u>162,153</u>	<u>434,466</u>	<u>163,195</u>	<u>149,200</u>	<u>312,395</u>

### 4 Charitable activities

	Charitable Income 2022 £	Charitable Income 2021 £
Charitable activities: workshop sales	<u>616,281</u>	<u>391,574</u>

### 5 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Rent received	<u>12,000</u>	<u>36,000</u>

# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 6 Charitable activities

	Fundraising, marketing, development	Charitable activities	Total	Fundraising, marketing, development	Charitable activities	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Staff costs	-	348,207	348,207	-	312,863	312,863
Workshop labour costs	-	63,604	63,604	-	77,390	77,390
Purchase of workshop materials	-	91,094	91,094	-	68,252	68,252
Workshop maintenance	-	-	-	-	8,564	8,564
Direct costs	52,398	69,668	122,066	42,488	-	42,488
	<u>52,398</u>	<u>572,573</u>	<u>624,971</u>	<u>42,488</u>	<u>467,069</u>	<u>509,557</u>
Share of support costs (see note 7)	35,236	210,845	246,081	27,840	147,618	175,458
Share of governance costs (see note 7)	-	7,479	7,479	-	9,051	9,051
	<u>87,634</u>	<u>790,897</u>	<u>878,531</u>	<u>70,328</u>	<u>623,738</u>	<u>694,066</u>
<b>Analysis by fund</b>						
Unrestricted funds	87,634	680,734	768,368	70,328	491,900	562,228
Restricted funds	-	110,163	110,163	-	131,838	131,838
	<u>87,634</u>	<u>790,897</u>	<u>878,531</u>	<u>70,328</u>	<u>623,738</u>	<u>694,066</u>

# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 7 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	102,720	-	102,720	72,802	3,832	76,634
Depreciation	15,842	-	15,842	15,034	-	15,034
Printing, postage & stationery	3,222	-	3,222	3,119	-	3,119
Rent and rates	10,888	-	10,888	11,150	-	11,150
Heating and lighting	15,099	-	15,099	11,990	-	11,990
Travel and motor costs	26,716	-	26,716	26,410	-	26,410
Insurance	25,015	-	25,015	18,457	-	18,457
Advertising	1,094	-	1,094	1,010	-	1,010
Telephone	2,581	-	2,581	2,741	-	2,741
Sundries and training	33,737	-	33,737	11,338	-	11,338
Legal and professional fees	9,167	-	9,167	1,407	-	1,407
Audit fees	-	4,180	4,180	-	3,084	3,084
Other	-	3,299	3,299	-	2,135	2,135
	<u>246,081</u>	<u>7,479</u>	<u>253,560</u>	<u>175,458</u>	<u>9,051</u>	<u>184,509</u>
Analysed between Charitable activities	<u>246,081</u>	<u>7,479</u>	<u>253,560</u>	<u>175,458</u>	<u>9,051</u>	<u>184,509</u>

Governance costs includes payments to the auditors of £4,180 (2021- £3,084) for audit fees.

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration, expenses or benefits from the charitable company during the year (2020: £nil).

### 9 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
<u>21</u>	<u>20</u>

# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 9 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	408,414	357,071
Social security costs	31,259	24,561
Other pension costs	11,254	7,865
	<u>450,927</u>	<u>389,497</u>

There were no employees whose annual remuneration was more than £60,000.

### 10 Tangible fixed assets

	Improvements to Leasehold Property	Vehicles, Plant & Machinery	Total
	£	£	£
<b>Cost</b>			
At 1 April 2021	48,252	163,775	212,027
Additions	-	10,493	10,493
	<u>48,252</u>	<u>174,268</u>	<u>222,520</u>
At 31 March 2022	48,252	174,268	222,520
<b>Depreciation and impairment</b>			
At 1 April 2021	29,075	113,161	142,236
Depreciation charged in the year	1,663	14,180	15,843
	<u>30,738</u>	<u>127,341</u>	<u>158,079</u>
At 31 March 2022	30,738	127,341	158,079
<b>Carrying amount</b>			
At 31 March 2022	<u>17,514</u>	<u>46,927</u>	<u>64,441</u>
At 31 March 2021	<u>19,176</u>	<u>50,614</u>	<u>69,790</u>

### 11 Stocks

	2022 £	2021 £
Raw materials and consumables	<u>12,746</u>	<u>7,554</u>

# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 12 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	140,624	38,568
Prepayments and accrued income	2,194	-
	<u>142,818</u>	<u>38,568</u>

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

	Notes	2022 £	2021 £
Other taxation and social security		26,220	11,251
Deferred income	14	256,029	23,562
Trade creditors		36,758	20,271
Amount owed to parent undertaking		16,066	10,650
Accruals and deferred income		2,550	43,332
		<u>337,623</u>	<u>109,066</u>

### 14 Deferred income

	2022 £	2021 £
Other deferred income	<u>256,029</u>	<u>23,562</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	<u>256,029</u>	<u>23,562</u>
Movements in the year:		
Deferred income at 1 April 2021	23,562	8,709
Released from previous periods	(23,562)	(8,709)
Resources deferred in the year	<u>256,029</u>	<u>23,562</u>
Deferred income at 31 March 2022	<u>256,029</u>	<u>23,562</u>

# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£	£	£	£	£
Workers Capital	3,360	-	(504)	-	2,856	-	-	2,856
Emergency Appeal	1,694	-	(412)	-	1,282	-	-	1,282
New Equipment	30,880	-	(2,180)	-	28,700	-	-	28,700
Barn	24,660	-	(1,417)	-	23,243	-	-	23,243
Specific Equipment	47,497	-	(2,756)	-	44,741	1,000	(6,569)	39,172
Staff Salaries	7,920	30,000	(30,000)	-	7,920	-	(71,003)	(63,083)
Staff Training	4,750	-	(2,717)	-	2,033	-	(1,636)	397
Raw Potential	22,994	77,200	(33,086)	-	67,108	142,300	(18,965)	190,443
Raw Store	7,812	-	-	-	7,812	-	-	7,812
Offenders Program	17,253	7,000	(19,729)	-	4,524	3,880	(6,990)	1,414
Transport	9,853	-	(9,522)	-	331	4,973	-	5,304
Learning Needs	1,725	-	-	-	1,725	-	-	1,725
NEETS	3,606	-	(4,391)	785	-	-	-	-
Trainees	9,000	-	-	-	9,000	-	-	9,000
Wood Recycling	2,233	-	-	-	2,233	5,000	-	7,233
Biomass	3,750	-	-	-	3,750	-	-	3,750
Ground maintenance	1,444	35,000	(25,124)	-	11,320	5,000	(5,000)	11,320
	<u>200,431</u>	<u>149,200</u>	<u>(131,838)</u>	<u>785</u>	<u>218,578</u>	<u>162,153</u>	<u>(110,163)</u>	<u>270,568</u>

# RAW WORKSHOP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	13,334	51,107	64,441	33,496	36,294	69,790
Current assets/(liabilities)	212,856	219,461	432,317	60,468	182,284	242,752
	<u>226,190</u>	<u>270,568</u>	<u>496,758</u>	<u>93,964</u>	<u>218,578</u>	<u>312,542</u>

### 17 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>60,668</u>	<u>63,885</u>

Response Organisation lent the charity funds during the period, of which £16,066 was outstanding for repayment at the period end (2021: £10,650).

### 18 Parent charity

Response Organisation's (registered charity no: 1014416; registered company no: 02745625) principal purpose and activities are to benefit the public by supporting and providing healthcare and support services to people with enduring mental health problems.

Consolidated accounts for the group are available from Response Organisation, AG Palmer House, Morrell Crescent, Littlemore, Oxford, OX4 4SU.



## RAW WORKSHOP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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19	Cash generated from operations	2022 £	2021 £
	Surplus for the year	184,216	45,903
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	15,842	15,034
	Movements in working capital:		
	(Increase) in stocks	(5,192)	(7,554)
	(Increase)/decrease in debtors	(104,250)	51,750
	(Decrease) in creditors	(3,910)	(2,676)
	Increase in deferred income	232,467	14,853
	<b>Cash generated from operations</b>	<b>319,173</b>	<b>117,310</b>
20	<b>Analysis of changes in net funds</b>		
	The charitable company had no debt during the year.		