

Charity registration number 1050876

Company registration number 03085148 (England and Wales)

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Cordingley S Laing J Wilkinson M Evans J Smith	
Secretary	B Henderson	
Senior management	S Field G Philliskirk D Wilson	Central manager Central manager Central manager
Charity number	1050876	
Company number	03085148	
Registered office	Off Folkwood Grove Ringinglow Road Sheffield S11 7TB	
Auditor	Hart Shaw LLP Europa Link Sheffield Business Park Sheffield S9 1XU	
Bankers	HSBC Bank Plc Carmel House 49-63 Fargate Sheffield S1 2HD	

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

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WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

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

Objectives and activities

The year 2023 was an exciting time for WORK Ltd. Following the challenges of the COVID pandemic, it was a relief to move forward with long-anticipated plans and achieve new milestones. We secured a second location, allowing us to open up more spaces for students and expand on the range of life skills we offer to individuals across South Yorkshire.

WORK Ltd has been established for 30 years. We support adults (16+) who have significant learning disabilities with engagement, learning, commercial crafts production and well-being activities. The Charity is operated by a board of local Trustees. It is run and managed by three Centre Managers. Our organisation was established to provide a creative educational environment for adults with learning difficulties that impact their intellectual capacity to the point that 'regular' employment is a near impossibility. Over the years we have established various 'workshops' with experienced staff supporting learners on a variety of arts and crafts activities. These 'workshops' include cookery, jewellery manufacturing, painting, seasonal card creations, stained-glass production, horticulture, dance, music & performance amongst others. The crafts that our learners produce is sold via our retail unit (attached to our 'Hidden Gem Café') and online via platforms such as 'Etsy'. Most of our learners are referred to us through Sheffield City Council Social Services and our focus is always on supporting each student feel 'purpose' through tailored educational training programmes, creativity and expert led pastoral care. While all our learners require constant support through either ourselves, their families or their carers our aim is, and has always been, to develop life skills, confidence, social interactions and self-esteem.

We support students with a variety of moderate to severe intellectual learning disabilities. All of our learners have a significantly impaired capacity to develop new skills and face daily challenges around behaviours such as social skills and hygiene routines which require continuous supervision. All learners have associated diagnosed learning disabilities such as Downs Syndrome, Autism, Epilepsy, Specific Language Disorders, Hearing Impairment, and often present an overlapping of neurological challenges that compound their intellectual capacity. Whilst an oversimplification of the intellectual disabilities our learners face, 16% have Downs Syndrome, 69% Moderate Autism and 15% are at the more severe end of the Autistic spectrum. All of our students have a significantly reduced ability to understand new or complex information, develop new skills and cope independently. Our students face huge day-to-day challenges, they require specific and consistent routine in their daily activities; from getting up, what they eat, transport arrangements and obviously the activities we provide at WORK Ltd. The majority of our students cannot read or write; however, we are able to help them slowly learn new skills through guided education and repetition of workshop activities.

Charitable purposes (Public Benefit)

In setting plans and priorities for areas of work the Board of WORK Ltd has had regard to the guidance from the Charity Commission on the provision of Public Benefit, with particular attention paid to how planned activities will contribute to meeting the objectives of WORK Ltd.

The Trustees confirm that they have complied with the duty in section 4 of the 2011 Charity Act to have due regard to guidance published by the Charity Commission regarding public benefit.

Significant activities

The various projects that are carried out at WORK Ltd by the students include:

Main Workshop – Staffed by qualified Tutors, support assistants and volunteers and where all main assembly work is done including woodwork, printing, textiles, arts and crafts.

Glass Room – Where stained glass products and Jewellery are made by the students.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Resource/Student Kitchen – This multifunctional area is staffed by qualified Tutors. Our fully equipped home from home kitchen is where our students learn basic life skills from washing, healthy living to cooking. Our students learn the importance of a healthy diet and are taught how to cook and bake simple recipes. As well as the kitchen area the resource room is used as a clean space to create bespoke textiles and crafts.

The Hidden Gem Café – At the heart of our charity is the award-winning Hidden Gem Café serving delicious food and operated by the support of our students. In the café our students are taught to serve tea and coffee, clear tables and interact with our many customers. Our students also work alongside our chefs learning basic food hygiene and food preparation.

Training and Support Projects

WORK Ltd continues to provide intensive, person-centred training programmes. These include healthy eating, food preparation, catering, woodwork and horticulture. Creative crafts, such as knitting, sewing, art, training in music, drama, dance, exercise, personal expression, literacy and reading skills, from important aspects of our development programmes. We have qualified teachers employed as our Tutors.

The quality of goods produced by our students are exceptional and we only purchase a small amount of goods from outside suppliers which compliments what is made on site by our students. This is not only more profitable for us but helps to build the self-esteem of the students.

In addition, WORK Limited provides ongoing training and advocacy skills to enable students to identify what they would like to achieve and need to achieve, giving student's fulfilment in their learning and development. Staff provide support on a wide range of issues from relationships to bereavement. Mechanisms are in place to refer to specialised professionals if required.

Individual practical support is given to carers to enable them to have access to relevant information, service and advice.

Achievements and performance

We have recently secured a 10-year lease for a vacant commercial premises on Hutcliffe Wood Road in Beauchief (S8). This is fantastic news for our charity as space at our Bents Green Centre has become limited, yet the demand for our services continues to grow each year. We've known for some time that we needed additional space to accommodate the expansion of learner activities, retail space, and to increase awareness of the services WorkLTD provides to local residents with learning disabilities.

The new premises will serve multiple purposes:

- **Ground floor:** A retail outlet showcasing and selling crafts made by our learners.
- **Second floor:** A new craft workshop dedicated to the production of jesmonite items, wrapping paper, greeting cards, and clay designs.
- **Third floor:** Office space for staff.
- **Cellar (subject to funding):** A potential space for laser cutting products and woodwork activities.

While our Bents Green location serves our learners well, its secluded location limits our visibility and potential for expansion. The new site on Hutcliffe Wood Road offers an exciting opportunity for increased visibility, providing a prominent shopfront to raise awareness of our charity and the incredible work our learners do

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Estimated Costs: The total estimated cost for repurposing this facility is approximately £40,000.

Funding Overview, The Church Burgess Trust awarded us £5,000, which is ringfenced for capital works making the premises accessible for both learners and the community. By receiving this grant it has really helped us turn this vacant commercial space into somewhere that the local residents can be really proud of and serve as a focal point for their local area. The funds were used to partition the facilities existing space to effectively create two distinct areas, one for the learners and one as a retail unit showcasing the students art and craft products.

Keyfund provided £24,999 and was made up of three projects

- Project 1 Purchase. This enabled us to get some of our digital media equipment for our podcast room
- Project 2 Refurb. The majority of the grant was for the refurbishment which included flooring, plastering, electrical installation/wiring.
- Project 3 Refit. We were able to refit the kitchen area purchasing new units aswell as refitting the office with new equipment

We have also sought funding for equipment and materials to run new projects for our learners. One major project is the **Jesmonite workshop**, which will give our learners the chance to develop new skills in crafting versatile products like coasters, plates, candle holders, and ornaments. This craft is accessible to all learners, regardless of disability, and provides an excellent opportunity for creative expression. The **Sheffield Grammar School Exhibition Foundation** generously granted us £7,000 to bring this project to life, and our learners are thoroughly enjoying the experience.

Additionally, we have been focusing on enhancing our learners' woodworking skills. A **£2,400 grant from The Church Burgess Educational Foundation** was received to purchase a laser cutter for creating high-quality wooden crafts. This initiative is further supported by a **£15,000 grant from The Bailey Thomas Charitable Fund**, which covers the core delivery costs of an advanced woodworking training programme.

We have ambitious plans for this new facility and are excited to see it become a thriving hub for our learners and the local community.

While 2023 brought a strong focus on our new site, we ensure that our ongoing projects at the Bents Green Centre were not overlooked. We were thrilled to receive a **generous £500 donation from The Kaye Charitable Grant**, specifically for the continuation of our twice-weekly dance classes

Following the challenges of COVID-19, we saw first-hand the positive impact these dance classes had on our students—not only in terms of physical fitness, but also in improving their balance, concentration, and confidence. The contribution from The Kaye Grant will help cover the costs of hiring the church hall as well as helping fund our dedicated dance teachers, ensuring these valuable sessions continue to benefit our students.

Financial review

The results for the year ended 31 December 2023 shows a surplus of £68,730 after charging depreciation of £37,457.

The total income for the year of £1,272,422 is a 28% increase on the previous year. Donations and fund-raising activities were £196,529 (2022 - £56,224) and café and shop sales have increased to £552,883 (2022 - £462,350).

Support costs totalled £385,800 compared to £347,582 in the previous year.

The forecast for the current year is again that there will continue to be sufficient income to meet all costs but without sufficient ability to invest in future developments.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Reserves and Leasehold improvements

The Trustees seek to keep a minimal level of unrestricted funds to ensure the charity remains a going concern and sufficient unrestricted funds to cover known commitments. They have assessed the risk to the charity's ongoing income and the level of reserves required has been determined taking in to account the current economic climate and local and national government policies. The appropriate reserves level has been set at 4 months of the current rate of expenditure. Even at this level, the charity would face severe difficulties in seeking to replace any lost income over such a relatively short period.

At this year end the unrestricted funds were £533,804 which equates to 5 months of charitable expenditure. The Trustees consider this to be acceptable and have achieved their target of at least 4 months expenditure in reserves.

The Asset Replacement Designated Fund has been formed as an essential means of enabling the Trustees to replace core fixed assets when required.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

The Trustees and Managers of WORK Ltd have put in place a number of incentives to enable successful achievement of the organisations aims and objectives, over the next 3-5 years. These include:

Hidden Gem Cafe: Our short-term goal is to redecorate the café and redesign the layout to enhance the dining experience, while also creating a new area to showcase our students' crafts and a deli section. The café is in need of a minor refurbishment, which we believe will excite our loyal customers and attract new visitors.

Looking ahead, we've been granted planning permission to extend onto the playing fields within our boundaries. With this additional space, we plan to expand the outdoor courtyard, offering more seating, comfortable dining areas, and improved coverage, making outdoor seating available year-round, regardless of the weather.

Workshop and Resource: In the short term, we plan to recruit a new full-time staff member as a support worker to assist our tutors in the workshop and resource classroom. This will help maintain our student-to-staff ratios as we accommodate a steady influx of new students. Another immediate goal is to introduce advanced woodworking to our existing curriculum. This new program will build on basic woodworking skills, enabling students to design, create, and market high-quality, bespoke products.

Looking a little further ahead and always keeping in mind how beneficial it is for us to have a steady influx of new students at the end of every school year. In addition to wanting to begin hosting open evenings and fun days to build and secure relationships with the corresponding agencies involved, as well as the new students and their families we also want to create a video showcasing the day in the life at WORK Ltd which our students will produce with our multi media Tutor. This video will be shared across our social media platforms, website, and with colleges, schools, and Sheffield City Council. We believe this will provide parents, students, and social workers with valuable insight into what we offer, showing students in action and staff addressing key questions.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Funding Projects: We have secured planning permission to connect our main facility to a council run car park to improve access to the facility for learners, their families and our customers. This approval means our lease has expanded to encompass and construct a pathway across greenbelt (council run park) approximately 30 metres in length through what is currently overgrowth. Planning permission has also been secured to expand our footprint approximately 6 metres onto SCC owned parkland (Bents Green Playing Fields) to allow for the erection of two 'log cabins' to act as additional learner workshop space. The third area we seek funding for is to purchase the two log cabins to erect on the newly available land. These log cabins measure 6m x 3.2m each and will house two additional distinct learner workshop areas. Planning permission has been granted for these two cabins to be housed on the new boundary perimeters.

Our long-term goal is to demolish and rebuild our workshop, transforming the current single-storey facility into a two-storey building, a project we aim to start in 2026. The new space will include a fully equipped classroom, workshop, quiet/sensory area, a designated dining area for students and staff, as well as offices.

The demand for the charity's services from adults with learning disabilities throughout the city continues to increase. Consequently, it remains essential to seek additional external funding for key projects that will enable the Trustees to make necessary investments in these new developments. This is crucial to ensure the charity can continue meeting the important needs of some of society's most vulnerable individuals.

We are dedicating time to applying for large, targeted grants, while also working hard to raise donations through various channels, such as the "Become a Friend of WORK" monthly donation initiative, pop-up shops, concerts, partnerships as companies' charity of the year, and promoting our JustGiving page through the Hidden Gem Café for one-off donations. These efforts are aimed at securing much-needed funding.

Structure, governance and management

Worthwhile Occupational and Recreational Krafts Ltd (WORK) is a charitable company limited by guarantee incorporated in England and Wales. It is governed by a Memorandum and Articles of Association. The charity and company registration numbers and registered office are set out within "Legal and Administrative Information".

Members of the board, who are directors for the purpose of company law and trustees for the purpose of the charity law, who served during the year and up to the date of this report are set out on page 1. In this report the board members are referred to as trustees although they have a dual role as directors.

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

Trustees are recruited based on their skills and as far as possible matched to the skills required by the Board.

The charity seeks new trustees from time to time through known contacts. If a person makes it known they are interested in becoming a trustee, they are invited to attend an interview with one or more of the trustees. The appointment is then considered by the full board. New trustees receive induction training about the aims, objectives and activities of the charity and made aware of their responsibilities as trustees.

The senior management team in charge of the day to day management of the company are D Wilson, G Philliskirk and SJ Field.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Worthwhile Occupational & Recreational Krafts Limited 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 charity 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 charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

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

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

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



M Evans

Trustee

Dated: 27 September 2024

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

Qualified opinion

We have audited the financial statements of Worthwhile Occupational & Recreational Krafts Limited (the 'charity') for the year ended 31 December 2023 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its 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 qualified opinion

We were appointed as auditors following the year ended 31 December 2023 when the company needed an audit for the first time. The opening balance sheet had not been audited and we were unable to carry out procedures to audit the opening balance sheet and therefore we are unable to determine whether any adjustments to the statement of income and retained earnings might have been necessary in the current period. We were also unable to ascertain whether accounting policies were consistently applied with the prior year. In addition were any adjustment to the statement of income and retained earnings to be required the strategic report would also need to be amended.

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 charity 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 qualified 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 charity'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 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.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to opening balances described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the financial statements are not in agreement with the accounting records.
- 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 charity 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 charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud and the audit response

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have assessed the overall susceptibility of the financial statements to material misstatement due to irregularities as low.

Our approach at the planning stage which contributed to designing procedures included:

- identifying laws and regulations at the planning stage that were significant to the entity and that could reasonably be expected to have a material effect on the financial statements from our general knowledge along with our client and sector specific experience
- enquires of management as to whether they had any knowledge of any actual or suspected fraud
- considering the controls in place to mitigate the risk of irregularities, including fraud.
- communicating identified laws and regulations to the audit team
- ensuring the audit team had recent, relevant experience and were aware of the significant laws and regulations relating to the entity and its sector along with the competence

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

The significant laws and regulations directly affecting the financial statements where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements included: The Charities Act and related regulations, The Statement of Recommended Practice (SORP), The Companies Act 2006 as well as other operational laws and regulations.

We assessed the overall susceptibility of the financial statements to material misstatement due to fraud, as low.

In response to the risks our approach included but was not limited to:

- reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations.
- performing analytical procedures to identify any unusual or unexpected relationships.
- reviewing minutes of meetings of those charged with governance.
- reviewing legal and professional costs for any indication of non-compliance with laws and regulations.
- increased revenue substantive testing across all material income streams.

Management override may cause there to be a material misstatement within the financial statements and may present itself in a number of ways, for example:

- override of internal controls (e.g. segregation of duties)
- entering into transactions outside the normal course of the charity, especially with related parties
- fraudulent income recognition, including income being recorded in the wrong period and fund
- presenting bias in accounting judgements and estimates.

In relation to how the risk of management override of controls was addressed, our approach included but was not limited to:

- assessing whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias
- investigating rationale of significant or unusual transactions and agreeing to underlying records
- reviewing related parties and transactions with them to ensure these were not outside the normal course of business
- enquiring with management as to whether they had any knowledge of any actual or suspected fraud
- reviewing of all material journal entries made throughout the year as well as those made to prepare the financial statements

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected material misstatements in the financial statements, even though we have performed our audit in accordance with auditing standards. Furthermore, as with all audits, there is a higher risk of irregularities (especially those relating to fraud) being undetected, as these may involve the override of internal controls, collusion, intentional omissions and misrepresentations etc. We are not responsible for preventing non-compliance or fraud and therefore cannot be expected to detect all instances of such. Our audit was not designed to identify misstatements or other irregularities that would not be considered to be material to the financial statements. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

Natalie Bracey (Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP

Chartered Accountants
Statutory Auditor



27 Sep 2024

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income and endowments from:							
Donations and legacies	2	139,432	57,097	196,529	56,224	-	56,224
Charitable activities	3	1,072,661	-	1,072,661	936,475	-	936,475
Investments	4	2,602	-	2,602	324	-	324
Other income	5	630	-	630	731	-	731
Total income		1,215,325	57,097	1,272,422	993,754	-	993,754
Charitable activities	6	1,183,762	19,930	1,203,692	1,022,396	-	1,022,396
Net income/(expenditure)		31,563	37,167	68,730	(28,642)	-	(28,642)
Transfers between funds		-	-	-	48	(48)	-
Net movement in funds		31,563	37,167	68,730	(28,594)	(48)	(28,642)
Reconciliation of funds:							
Fund balances at 1 January 2023		497,580	-	497,580	526,174	48	526,222
Fund balances at 31 December 2023		529,143	37,167	566,310	497,580	-	497,580

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		309,106		265,153
Current assets					
Stocks	13	23,328		2,515	
Debtors	14	51,672		39,839	
Cash at bank and in hand		269,306		247,366	
		344,306		289,720	
Creditors: amounts falling due within one year	15	(87,102)		(57,293)	
Net current assets			257,204		232,427
Total assets less current liabilities			566,310		497,580
Income funds					
Restricted funds	16		37,167		-
<u>Unrestricted funds</u>					
Designated funds	17	200,000		200,000	
General unrestricted funds		329,143		297,580	
			529,143		497,580
			566,310		497,580

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 27 September 2024



M Evans
Trustee

Company Registration No. 03085148

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	22		100,118		29,064
Investing activities					
Purchase of tangible fixed assets		(81,497)		(28,711)	
Proceeds from disposal of tangible fixed assets		717		1,220	
Investment income received		2,602		324	
Net cash used in investing activities			(78,178)		(27,167)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			21,940		1,897
Cash and cash equivalents at beginning of year			247,366		245,469
Cash and cash equivalents at end of year			<u>269,306</u>		<u>247,366</u>

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Worthwhile Occupational & Recreational Krafts Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Off Folkwood Grove, Ringinglow Road, Sheffield, S11 7TB.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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 charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The costs of raising and administering such funds are charged against the specific fund.

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and it not deferred.

1.5 Resources expended

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.6 Tangible fixed assets

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

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

Leasehold land and buildings	5% straight line
Plant and equipment	15% reducing balance
Fixtures and fittings	25% reducing balance

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is calculated using the first in, first out formula.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand.

1.9 Financial instruments

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

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

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

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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

1.10 Retirement benefits

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

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	139,432	-	139,432	56,224	-	56,224
General grants	-	57,097	57,097	-	-	-
	<u>139,432</u>	<u>57,097</u>	<u>196,529</u>	<u>56,224</u>	<u>-</u>	<u>56,224</u>

3 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Student support grants		
Income received in relation to student support	519,778	467,839
Other income	-	6,286
Sale of merchandise		
Sale of goods	552,883	462,350
	<u>1,072,661</u>	<u>936,475</u>

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	2,602	324

5 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	630	731

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Charitable activities

	2023 £	2022 £
Staff costs	557,711	492,869
Depreciation and impairment	1,285	-
Cost of sales	231,044	181,945
	<u>790,040</u>	<u>674,814</u>
Share of support costs (see note 7)	385,800	325,800
Share of governance costs (see note 7)	27,852	21,782
	<u>1,203,692</u>	<u>1,022,396</u>
Analysis by fund		
Unrestricted funds	1,183,762	1,022,396
Restricted funds	19,930	-
	<u>1,203,692</u>	<u>1,022,396</u>

7 Support costs allocated to activities

	2023 £	2022 £
Staff costs	191,024	166,496
Depreciation	36,172	29,798
Consumables	39,177	46,151
Insurance	14,740	12,857
Advertising	7,755	13,578
Motor and travel	4,953	5,030
Utilities	47,620	34,512
Rent, rates and refuse	10,388	1,333
Office costs	17,343	9,470
Sundry expenses	2,680	1,965
Repairs and maintenance	13,918	3,256
Staff Training	30	1,354
Governance costs	27,852	21,782
	<u>413,652</u>	<u>347,582</u>
Analysed between:		
Charitable Activities	<u>413,652</u>	<u>347,582</u>

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Auditor

The auditors remuneration amounts to an audit fee of £10,000 (2022 - £3,500 independent examination) and other services of £1,076 (2022 - £1,090).

9 Trustees and key management personnel remuneration and expenses

None of the trustees received any remuneration or benefits from the charity during the year.

None of the trustees received any expenses from the charity during the year.

Remuneration to key management personnel has been disclosed in note 10.

The charity paid insurance of £14,740 (2022 - £12,857) which included trustees indemnity insurance.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Teaching and student support	15	13
Cafe and Gift Shop	18	19
Office and Management	5	4
Total	38	36

Employment costs

	2023 £	2022 £
Wages and salaries	688,274	605,462
Social security costs	47,942	43,333
Other pension costs	12,519	10,570
	748,735	659,365

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

Remuneration of key management personnel

The remuneration of key management personnel, is as follows.

	2023 £	2022 £
Aggregate compensation	128,058	122,455

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2023	329,417	90,313	203,282	623,012
Additions	58,608	-	22,889	81,497
Disposals	-	-	(1,347)	(1,347)
At 31 December 2023	388,025	90,313	224,824	703,162
Depreciation and impairment				
At 1 January 2023	133,945	82,432	141,482	357,859
Depreciation charged in the year	17,654	1,669	18,134	37,457
Eliminated in respect of disposals	-	-	(1,260)	(1,260)
At 31 December 2023	151,599	84,101	158,356	394,056
Carrying amount				
At 31 December 2023	236,426	6,212	66,468	309,106
At 31 December 2022	195,472	7,881	61,800	265,153

13 Stocks

	2023 £	2022 £
Finished goods and consumables	23,328	2,515

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	39,836	37,610
Other debtors	3,875	-
Prepayments and accrued income	7,961	2,229
	51,672	39,839

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	34,362	30,080
Trade creditors	17,812	11,050
Other creditors	2,871	5,907
Accruals and deferred income	32,057	10,256
	<u>87,102</u>	<u>57,293</u>

16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2023 £
Key Fund Investments	-	24,497	(8,979)	-	15,518
Church Burgesses Educational Foundation 1	-	2,400	-	-	2,400
Church Burgesses Educational Foundation 2	-	2,700	(392)	-	2,308
The Baily Thomas Charitable Fund	-	15,000	(10,000)	-	5,000
Sheffield Grammar SGS Grant	-	7,000	-	-	7,000
The Kaye Charitable Grant	-	500	(500)	-	-
	-	5,000	(59)	-	4,941
	-	<u>57,097</u>	<u>(19,930)</u>	-	<u>37,167</u>

Previous year:

	At 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2022 £
Bailey Thomas- student kitchen	48	-	-	(48)	-

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Restricted funds

(Continued)

Restricted fund balances

A balance of £15,518 from Key Fund Investments for the refurb and refit of the digital media room and the purchase of media equipment for the teaching of the students.

A Balance of £2,400 from Church Burgesses Educational foundation issued to aid towards the cost of a laser cutting machine.

A balance of £2,308 also from Church Burgesses Educational Foundations issues to aid towards the costs of the digital media equipment.

a balance of £4,941 from Sheffield Burgesses Trust issued to aid with the works required and the new site of Kreate.

A balance of £5,000 from The Baily Thomas Charitable Fund issued to aid the core delivery costs of the advanced woodworking training programme.

A Balance of £7,000 from the Sheffield Grammar SGS Grant to aid the new Jesmonite workshop classes, provided to purchase materials and starter kits.

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Asset replacement fund	200,000	-	-	-	200,000
General funds	297,580	1,215,325	(1,183,762)	-	329,143
	<u>497,580</u>	<u>1,215,325</u>	<u>(1,183,762)</u>	<u>-</u>	<u>529,143</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	At 31 December 2022
	£	£	£	£	£
Asset replacement fund	200,000	-	-	-	200,000
General funds	326,174	993,754	(1,022,396)	48	297,580
	<u>526,174</u>	<u>993,754</u>	<u>(1,022,396)</u>	<u>48</u>	<u>497,580</u>

Designated funds relate to the asset replacement fund which recognises the need for the company to retain sufficient designated reserves to replace core fixed assets and continue in business.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Analysis of net assets between funds

Fund balances at 31 December 2023 are represented by:

Tangible assets

Current assets/(liabilities)

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
	286,361	-	22,745	309,106	65,153	200,000	-	265,153
	42,782	200,000	14,422	257,204	232,379	-	48	232,427
	329,143	200,000	37,167	566,310	297,532	200,000	48	497,580

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	23,381	8,660
Between two and five years	58,755	13,678
	<u>82,136</u>	<u>22,338</u>

20 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Purchase of services	
	2023 £	2022 £
KP Joinery	17,380	9,985
	<u>17,380</u>	<u>9,985</u>

The company of one of the key management personnel's spouses has been used for maintenance work on the charity's premises.

21 Analysis of changes in net funds

The charity had no material debt during the year.

22 Cash generated from operations

	2023 £	2022 £
Surplus/(deficit) for the year	68,730	(28,642)
Adjustments for:		
Investment income recognised in statement of financial activities	(2,602)	(324)
Gain on disposal of tangible fixed assets	(630)	(731)
Depreciation and impairment of tangible fixed assets	37,457	29,798
Movements in working capital:		
(Increase)/decrease in stocks	(20,813)	216
(Increase)/decrease in debtors	(11,833)	15,518
Increase in creditors	29,809	13,229
Cash generated from operations	<u>100,118</u>	<u>29,064</u>