

Reading Community Welfare Rights Unit

Charity No. 1074557

Company No. 03626105

Trustees' Report and Unaudited Accounts

31 March 2021

Reading Community Welfare Rights Unit
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**Reading Community Welfare Rights Unit
Trustees Annual Report**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Company No. 03626105

Charity No. 1074557

Principal Office

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

Registered Office

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

Directors and Trustees

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

M. Ayub
J.L. Hughes
P.G. Kayes
R. McEwan
L.K. Owen
P. Thomas

Key Management Personnel

Chief Executive Officer

Matt Harrison

Accountants

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

OBJECTIVES AND ACTIVITIES

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

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

RCWRU provides advice and support to people on their benefits claims, including to people in work, not in work and to those seeking to get into work, through programmes like Narrowing the Gap, Stronger Together Partnership and the National Lottery Community Fund.

ACHIEVEMENTS AND PERFORMANCE

The year has been affected by the Covid-19 pandemic which saw our office being closed to visitors and with only limited access for staff throughout the period. However the Unit has continued to operate throughout the year with staff working from home. Equipment was acquired for staff to support them working remotely from the office, using grants provided by local charities and other organisations. A significant volume of clients have been supported, with welfare benefits secured for them closely matching previous years. Contact with clients has been through telephone and email and publicised on our website. A minority of clients who would drop into the office will have found it difficult to contact us where they were reluctant or unable to use the phone or email, and some efforts to remedy this difficulty were used during the year when the levels of Covid infection in the community were low through drop-in workshops which attracted a significant number of people. The complexity of client cases were seen to increase over previous years almost certainly as a result of the impact of the pandemic and which meant it required more staff time to progress their cases. As a result the team were at full stretch throughout the year. An additional experienced full-time case worker has been recruited and is starting in May 2021 which will increase our capacity.

Our 'Narrowing the Gap' partnership with Citizens Advice Reading and CommuniCare has continued and strengthened and our National Lottery Community Fund project has been building successfully, with a number of volunteers being recruited to work with us, although the extent to which they could contribute was limited by the pandemic. The 'Stronger Together' partnership project part funded by the European Social Fund completed in June 2020.

FINANCIAL REVIEW

The 2020-21 financial year has seen Reading Community Welfare Rights Unit (RCWRU) continue to consolidate its position and finances. Our balance sheet has continued to improve, even if free reserves have been depleted supporting efforts against the pandemic.

PLANS FOR FUTURE PERIODS

Looking to the future RCWRU is aware of an excess in demand for our services and anticipates a significant increase in demand as the pandemic lockdown eases and life starts to return to normal, with government short term measures that support people likely to end. We believe that there could be a surge in demand lasting up to 5 years as a consequence. We are therefore seeking additional funds to expand the Unit and also in conjunction with our Narrowing the Gap partners for more funds to strengthen our joint resources in order to increase our capacity to support people seeking our help. A number of organisations offering grants to charities are being contacted as part of this initiative

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board



P.G. Kayes Trustee
19 July 2021

I report to the charity trustees on my examination of the accounts of Reading Community Welfare Rights Unit for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements under section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS 102).

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



Julian Ansell FCCA
5th October 2021

Reading Community Welfare Rights Unit
Statement of Financial Activities
for the year ended 31 March 2021

		Unrestricted funds	Restricted funds	Total funds	Total funds
		2021	2021	2021	2020
	Notes	£	£	£	£
Income and endowments from:					
Donations and legacies	4	117	-	117	-
Charitable activities	5		129,927	129,927	117,257
Total		117	129,927	130,044	117,257
Expenditure on:					
Other	6		119,855	119,855	94,993
Total			119,855	119,855	94,993
Net gains on investments		-	-	-	-
Net income	7	117	10,072	10,189	22,264
Transfers between funds		-	-	-	-
Net income before other gains/(losses)		117	10,072	10,189	22,264
Other gains and losses					
Other Gains		-	-	-	8,500
Net movement in funds		117	10,072	10,189	30,764
Reconciliation of funds:					
Total funds brought forward		-	18,309	18,309	(12,455)
Total funds carried forward		117	28,381	28,498	18,309

Reading Community Welfare Rights Unit

Balance Sheet

at 31 March 2021

Company No. 03626105	Notes	2021	2020
		£	£
Fixed assets			
Tangible assets	9	3,208	1,752
		<u>3,208</u>	<u>1,752</u>
Current assets			
Debtors	10	-	969
Cash at bank and in hand		51,053	39,680
		<u>51,053</u>	<u>40,649</u>
Creditors: Amount falling due within one year	11	(25,763)	(24,092)
Net current assets		<u>25,290</u>	<u>16,557</u>
Total assets less current liabilities		<u>28,498</u>	<u>18,309</u>
Net assets excluding pension asset or liability		<u>28,498</u>	<u>18,309</u>
Total net assets		<u><u>28,498</u></u>	<u><u>18,309</u></u>
The funds of the charity			
Restricted funds	12		
Restricted income funds		28,381	18,309
		<u>28,381</u>	<u>18,309</u>
Unrestricted funds	12		
General funds		117	-
		<u>117</u>	<u>-</u>
Reserves	12		
Total funds		<u><u>28,498</u></u>	<u><u>18,309</u></u>

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

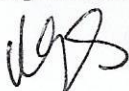
For the year ended 31 March 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

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

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

Approved by the board on 19th July 2021

And signed on its behalf by:



P.G. Kayes

Trustee

19th July 2021

for the year ended 31 March 2021

1 Accounting policies

Basis of preparation

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

Change in basis of accounting or to previous accounts

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

Fund accounting

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

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
Volunteer help	The value of any volunteer help received is not included in the accounts.
Investment income	This is included in the accounts when receivable.
Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.

Notes to the Accounts

Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

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

Freehold investment property

Investment properties are measured initially at cost and subsequently at fair value at each balance sheet date and are not depreciated. All gains or losses are taken to the Statement of Financial Activities as they arise.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Trade and other debtors

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

Cash and cash equivalents

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

Trade and other creditors

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Monetary assets and liabilities denominated in currencies other than the functional currency of the charity are translated at the rates of exchange prevailing at the end of the reporting period.

Transactions in currencies other than the functional currency of the charity are recorded at the rate of exchange on the date that the transaction occurred.

All exchange differences are taken into account in arriving at net income/expenditure.

Leased assets

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Pension costs

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

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Company status

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

3 Statement of Financial Activities - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Income and endowments from:			
Charitable activities	0	117,257	117,257
Total	<u>0</u>	<u>117,257</u>	<u>117,257</u>
Expenditure on:			
Other	-	94,993	94,993
Total	<u>-</u>	<u>94,993</u>	<u>94,993</u>
Net income	<u>0</u>	<u>22,264</u>	<u>22,264</u>
Net income before other gains/(losses)	0	22,264	22,264
Other gains and losses:			
Other Gains	-	8,500	8,500
Net movement in funds	<u>0</u>	<u>30,764</u>	<u>30,764</u>
Reconciliation of funds:			
Total funds brought forward	-	(12,455)	(12,455)
Total funds carried forward	<u>0</u>	<u>18,309</u>	<u>18,309</u>

4 Income from donations and legacies

Unrestricted	Total 2021	Total 2020
£	£	£
117	117	-
<u>117</u>	<u>117</u>	<u>-</u>

5 Income from charitable activities

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Contract Income	-	79,000	79,000	78,934
Grant Income	-	50,927	50,927	38,323
	<u>-</u>	<u>129,927</u>	<u>129,927</u>	<u>117,257</u>

6 Other expenditure

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Employee costs	-	99,759	99,759	75,058
Motor and travel costs	0	60	60	-
Premises costs	-	3,000	3,000	3,000
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	-	2,814	2,814	1,382
General administrative costs		9,615	9,615	10,858
Legal and professional costs		4,607	4,607	4,695
		<u>119,855</u>	<u>119,855</u>	<u>94,993</u>

7 Net income before transfers

	2021	2020
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	2,814	1,382

8 Staff costs

Salaries and wages	96,438	70,306
Social security costs	1,796	3,678
Pension costs	1,525	1,074
	<u>99,759</u>	<u>75,058</u>

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

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

	2021 Number	2020 Number
Manager/Caseworker	1	1
Caseorker/ specialist advisor	3	2
Volunteers	2	1
Office Administration	-	-
Assistant	-	-
Accountant	-	-
	<u>6</u>	<u>4</u>

Reading Community Welfare Rights Unit
Notes to the Accounts

9 Tangible fixed assets	2021	2020
	£	£
Cost or revaluation		
At 1 April 2020	4,150	3,049
Additions	4,270	1,101
At 31 March 2021	<u>8,420</u>	<u>4,150</u>
Depreciation and impairment		
At 1 April 2020	2,398	1,016
Depreciation charge for the year	2,814	1,382
At 31 March 2021	<u>5,212</u>	<u>2,398</u>
Net book values		
At 31 March 2021	<u>3,208</u>	<u>1,752</u>
At 31 March 2020	<u>1,752</u>	<u>2,033</u>
10 Debtors	2021	2020
	£	£
Trade debtors	-	969
	<u>-</u>	<u>969</u>
11 Creditors:		
amounts falling due within one year	2021	2020
	£	£
Trade creditors	187	299
Other creditors	288	213
Accruals and deferred income	25,288	23,580
	<u>25,763</u>	<u>24,092</u>

12 Movement in funds

	Balances B/fwd	Resources expended	Incoming Resources	31 March 2021
	£	£	£	£
Restricted funds:				
Restricted income funds:				
Reading Borough Council	18,309	(85,464)	79,000	11,845
Big Lottery		(885)	903	18
Reaching Communities		(31,620)	30,593	(1,026)
Berkshire Community Foundation		(771)	-	(771)
Pandemic Support		(1,115)	7,376	6,261
National Lottery Community Fund		-	12,055	12,055
<i>Total</i>	<u>18,309</u>	<u>(119,855)</u>	<u>129,927</u>	<u>28,381</u>
Unrestricted funds:				
General funds	-	-	117	117
Revaluation Reserves:				
Total funds	<u>18,309</u>	<u>(119,855)</u>	<u>130,044</u>	<u>28,498</u>

Purposes and restrictions in relation to the funds:

Restricted funds:

Reading Borough Council	Narrowing the gap
National Lottery Community Fund	Reaching
Berkshire Community Foundation	Communities
Pandemic support	
National Lottery	Stronger Together

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fixed assets	-	3,208	3,208
Net current assets	117	25,173	25,290
	<u>117</u>	<u>28,381</u>	<u>28,498</u>

14 Reconciliation of net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash and cash equivalents	39,680	11,373	51,053
	<u>39,680</u>	<u>11,373</u>	<u>51,053</u>
Net debt	<u>39,680</u>	<u>11,373</u>	<u>51,053</u>

15 Commitments

Operating lease commitments

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

	2021 Land and buildings £	2021 Other £	2020 Land and buildings £	2020 Other £
Operating leases with expiry date:				

Pension commitments

	2021 £	2020 £
The pension cost charge to the company amounted to:	<u>1,525</u>	<u>1,074</u>

16 Related party disclosures

Controlling party

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

Reading Community Welfare Rights Unit
Detailed Statement of Financial Activities
for the year ended 31 March 2021

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021	2021	2021	2020
	£	£	£	£
Income and endowments from:				
Donations and legacies	117	-	117	-
	<u>117</u>	<u>-</u>	<u>117</u>	<u>-</u>
Charitable activities				
Contract Income	-	79,000	79,000	78,934
Grant Income	-	50,927	50,927	38,323
	<u>-</u>	<u>129,927</u>	<u>129,927</u>	<u>117,257</u>
Total income and endowments	117	129,927	130,044	117,257
Expenditure on:				
Employee costs				
Salaries/wages	0	96,428	96,428	70,306
Employer's NIC	0	1,796	1,796	3,678
Pension costs	0	1,525	1,525	1,074
Staff recruitment	-	-	-	70
Staff training	-	10	10	471
	<u>0</u>	<u>99,759</u>	<u>99,759</u>	<u>75,599</u>
Motor and travel costs				
Travel and subsistence	0	60	60	-
	<u>0</u>	<u>60</u>	<u>60</u>	<u>-</u>
Premises costs				
Rent	-	3,000	3,000	3,000
	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
General administrative costs, including depreciation and amortisation				
Depreciation of	-	2,814	2,814	1,382
Bank charges	-	302	302	294
Equipment expensed	-	540	540	182
Equipment leasing and hire charges	-	-	-	444
Equipment repairs and maintenance	-	1,200	1,200	150
General insurances	0	1,330	1,330	886
Information and publications	-	-	-	745
Postage and couriers	-	-	-	475
Software, IT support and related costs	0	1,454	1,454	4,075
Stationery and printing	0	77	77	-
Subscriptions	0	1,062	1,062	521

Reading Community Welfare Rights Unit
Detailed Statement of Financial Activities

Sundry expenses	0	815	815	412
Telephone, fax and broadband	0	2,835	2,835	2,135
	<u>0</u>	<u>12,429</u>	<u>12,429</u>	<u>11,701</u>
Legal and professional costs				
Accountancy and bookkeeping	-	4,594	4,594	4,680
Other legal and professional costs	-	13	13	13
	<u>-</u>	<u>4,607</u>	<u>4,607</u>	<u>4,693</u>
Total of expenditure of other costs	<u>-</u>	<u>119,855</u>	<u>119,855</u>	<u>94,993</u>
Total expenditure		119,855	119,855	94,993
Net gains on investments	-	-	-	-
	<u>117</u>	<u>10,072</u>	<u>10,189</u>	<u>22,264</u>
Net income				
Transfers between funds	-	-	-	-
Net income before other gains/(losses)	<u>117</u>	<u>10,072</u>	<u>10,189</u>	<u>22,264</u>
Other Gains	-	-	-	8,500
Net movement in funds	<u>117</u>	<u>10,072</u>	<u>10,189</u>	<u>30,764</u>
Reconciliation of funds:				
Total funds brought forward	-	18,309	18,309	(12,455)
Total funds carried forward	<u>117</u>	<u>28,381</u>	<u>28,498</u>	<u>18,309</u>