

Winchester Basics Bank

(a company limited by guarantee)

Report and Financial Statements

Year ending 31st December 2021

Charity number: 1102470

Company number: 05005690

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Winchester Basics Bank

Report of the directors for the year ending 31st December 2021

The trustees present their annual directors' report together with the financial statements of Winchester Basics Bank for the year ending 31st December 2021. The financial statements have been prepared for the company as a going concern on the basis set out in Note 1 to the accounts and under the accounting policies set out in Note 2 (see pages 11 and 12).

The directors have taken advantage of the exemptions applicable to small companies including: not being required to have a statutory audit, not being required to include a statement of cash flows with the financial statements, not being required to analyse and report income and expenditure on a detailed activity basis.

As total income for the period exceeds £250,000, the company is required under charity law to have either an audit or an independent examination of its accounts by a qualified person. The Board appointed K.J. Stratton of Kimball Smith as its independent examiner last year and has reappointed him this year.

This directors' report includes the trustees' annual report information as required under charity law.

1. Background and Purpose

Winchester Basics Bank (WBB) provides food, hygiene products and clothing to individuals and families in emergency need. It aims to make appropriate resources available to the maximum number of people at their point of greatest need. Founded in 2004, it is an ecumenical Christian registered charity, set up by the churches based in Winchester and with the support of Winchester City Council.

Our purpose is to act as a resource for people facing a difficult situation in their lives and struggling to make ends meet, perhaps because of unexpected bills, delayed benefit payments or a major household crisis and in 2021 the impact of the Covid-19 pandemic. It is entirely non-judgmental in that it helps anyone that needs urgent support. The range of people who are served is wide, from individuals, to families with children and to elderly people. WBB makes a vital contribution to the relief of hardship and so supports social cohesion in the community and in this way provides public benefit.

Traditionally clients are referred to WBB through referral agents such as Winchester City Council Housing Department, Hampshire County Council Social Services, Citizens Advice, Trinity Centre, local housing associations and local charitable groups, churches, doctors' surgeries, probation officers and health visitors. These referral agents issue online vouchers to people they know who are in urgent emergency need, and these vouchers are exchanged at WBB for 7-days of food and hygiene products and articles of clothing when required. In addition, as a result of the pandemic, it was decided in 2020 to set up a self-referral process whereby people who have never used our services before could reach us directly. This has proved to be an effective way of reaching more clients in the community so the directors decided in 2021 to adopt it as a permanent process. WBB also supports other food banks and food pantries in the surrounding area with food donations.

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2. Facilities

2.1. New Bulk Food Sorting & Storage Facility

The temporary Bulk Food Sorting & Storage Facility set up early in the pandemic in April 2020 at the Winchester Vineyard Church enabled WBB to function in a safer and more efficient environment. This experience encouraged the directors to seek a more permanent replacement and after reviewing various options resulted in us taking a 5-year lease in part of Gabare House, Winnall with effect from 31st March 2021. With 234m² of ground floor space, 3 offices (one which was converted into a break room/kitchen), car park space and level entry access this has proved to be an ideal location. An independent surveyor confirmed this was an appropriate property for our requirements and supported the decision to take a 5-year lease (with a 3-year break). This facility since has enabled us to focus more in our Food Hubs on the quality of the interaction with our clients by decluttering the available space.

2.2. Food Hubs

Following our expansion in 2020 we now have 4 Food Hubs where clients collect food parcels at the following locations:

- > Highcliffe: Milland Road
- > Bar End: Vineyard Church
- > Weeke: St. Barnabas Church
- > Alresford: St. Gregory's Church*

At least one of these hubs is open every day between Monday and Friday.

* The Alresford hub recently moved from the New Alresford Council offices where it was established in 2020 to St. Gregory's Church in order to provide an environment better suited to our client's needs.

2.3. Self-selection of Food Items

Towards the end of 2021 we were able to benefit from the results of client feedback groups to help us better understand client needs and therefore improve our service. One key aspect that emerged was a request for self-selection of food items to enable more suitable items to be given to each family or individual. It is clear that "standard food bags" whilst essential during the lockdown periods lead to questioning in the family, particularly from children who want to know why they are presented with items they don't normally eat. At best this can lead to food being unused; at worst to uncomfortable conversations and an unwillingness to use our services again. This proposed change was accepted by the directors and so we have re-equipped our food hubs with increased shelving making them more similar to a retail environment. Refitting the Milland Road Hub has enabled us to display more clothing items on racks leading to greater numbers being given out. Overall, initial feedback from clients regarding this new service has been very positive.

3. Services

3.1. Client numbers

2020 was an exceptional year for client numbers due to the significant impact of the pandemic resulting in 4830 food parcels being given out (+65% on prior year). 2021 was impacted to a lesser extent but remained relatively high at 3960, +35% vs 2019.

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As an emergency service, our general rule is to limit the number of vouchers per client to 6 in a 12-month period. However, during 2020 and 2021 this was increased to 8 due to the ongoing pandemic issues.

3.2. Schools Programme

Our School Holiday Lunch Scheme for Pupil Premium children referred to us by local schools was expanded in 2021 to include additional families who needed support. The summer holiday scheme was accompanied by a series of “cook-along videos” whereby ingredients given out each week could be used with the help of carefully selected basic recipes to make nutritious meals.

3.3. Deliveries to Clients

Our new delivery service set up last year for clients who need to isolate or physically cannot get to one of our food hubs to collect food has continued to develop. It is clear that this service is helping us to improve our reach into the community therefore a decision has been taken to make it a permanent WBB service.

3.4. Signposting

In order to help our clients access additional services we have partnered with Winchester Citizens Advice to access signposting training for some of our staff and volunteers. We now have 5 people trained as Advice First Aiders and plan to increase this number. We have also created an “Other Services” page on our website to provide information and links to appropriate support services.

4. Future developments

In addition to having the flexibility to cope with increased client numbers (given the expected impact of higher inflation on individuals and families in our community) our main focus now is on improving the quality of our client interactions. We strive to remove the stigma some potential clients can feel in approaching a food/clothing bank and to make WBB a friendly place where helpful and relevant support can be accessed.

Churches, Corporates, Charities and individuals in our community continue to be very generous in their giving of time, food and finances. We are extremely grateful for this support without which none of our steps to improve our services would be possible.

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Financial review

	2021 £	2020 £
<u>Income</u>		
Monetary donations and interest	168,973	213,291
Donated goods received	115,302	122,997
Total income	284,275	336,288
<u>Expenditure</u>		
Monetary expenditure – unrestricted	82,471	42,142
- restricted	-	1,177
Donated goods given out	115,033	124,960
Total expenditure	197,504	168,279
Net surplus/(deficit)		
Monetary	86,502	169,972
Donated goods	269	(1,963)
Net income/(expenditure)	86,771	168,009
Funds at 31 st December		
Unrestricted general income funds	318,944	232,417
Donated goods and restricted funds	29,282	29,038
Total funds	348,226	261,455

Momentum from the increased fundraising campaign initiated in 2019 continued to have a very significant positive effect in 2021. Such generosity resulted in total monetary income of £168,973 (2020 - £213,291) – representing churches (7% last year 9%), businesses/ charities (47% last year 29%) and individuals including associated Gift Aid (46% last year 62%). Monetary donations were received from a combination of local council bodies, private individuals, local church communities, schools, local businesses, charitable trusts, grants and

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fundraising events. We also received gift aid (directly or via CAF, Virgin Donate and Stewardship) and the interest from cash deposits.

We are very grateful for the continued financial support of Winchester and the surrounding communities for our activities. We are blessed to be in a healthy financial situation and therefore able to consider improving/broadening our services particularly as a function of the increased need arising from the pandemic and more recently from higher inflation. We now have £308,802 (2020 - £230,526) in the bank and cash in hand. These funds will enable us to meet the needs of our community well into the future.

Total monetary expenditure in the year was higher at £82,471 (2020 - £43,319) – further details are provided in Note 3 to the accounts. Historically much of the provision in 2020 to facilitate our service was in kind and therefore the cash costs of operations were lower and in effect understated in true value terms. Investment has now been made to make the operations more efficient, safer and scalable.

The net surplus for the year was £86,771 (2020 - £168,009), comprising a net monetary surplus of £86,502 (2020 - £169,972), plus a net surplus of £269 (2020 – net deficit of £1,963) on donated goods, representing a small increase in donated goods stock at the year end.

The directors' policy is to aim to hold unrestricted monetary funds as a reserve of at least six months of operating costs (which is budgeted in 2022 to be approximately £70,000), plus funds for investment in the future sustainable provision of services to meet the needs of the community. The total of unrestricted general funds at 31st December 2021 exceeds this level as the Board consider the future strategy investment opportunities.

The fair-value cost of donated goods given out in the year was £115,302 (2020 - £122,997) a net fall of 6%. The main reason for this decrease is as a function of the pandemic easing and additional government support. Through the pandemic, we bought more food directly, particularly in relation to fresh food for the school's programme.

Food donations are received from a variety of sources: there are regular collection points at many local churches, supermarkets and other locations. This is supplemented by occasional collections from local businesses, churches and schools. Rather than manage a large donation around the traditional Harvest Festival period we have developed a new scheme to spread these donations through the year. This also enables us to request the items that are low in stock at different points in the year.

We would like to give a huge thank you to all those individuals and organisations who have helped us during the year through gifts of food, clothing, cash and time. These organisations include supermarkets such as Sainsbury's, Tesco, Co-op and Waitrose. We also purchase fresh food weekly from FareShare

In 2021 we have continued to attract and retain new volunteers which has helped us cope with demand and replace some of the existing volunteers who needed to withdraw due to the pandemic or other reason. We are hugely grateful for their work. In total we are supported by over eighty volunteers who donate very generously of their time and skills. Some of our volunteers have given over 10 years of voluntary service which has been recognised recently by nomination and acceptance for the Mayor of Winchester's Community Awards. Our volunteers transport food collected at supermarkets and other donation sites to our bulk sorting and storage facility and food hubs as well as to individual client households as part of our delivery service. They also sort and store the food as well as serving our clients with food and clothing at the hubs. Without our wonderful volunteers we would not be able to provide our services.

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Structure, governance and management

Winchester Basics Bank is a charitable company limited by guarantee without share capital. It was incorporated on 5th January 2004 and registered as a charity on 4th March 2004.

It is governed under its Articles of Association and was established under a Memorandum of Association that sets out the objects and powers of the charitable company. These documents were updated in 2020 with the help of the Hampshire County Council legal team.

The members of the Board of Trustees, who are also Directors and members are elected at the AGM to serve for three years, subject to ratification at each AGM. The directors of the charitable company (the charity) are its trustees under charity law. Directors are selected from local churches and from the wider local community.

The members of Winchester Basics Bank are guarantors of the company to an amount not exceeding £1 per person in the event of winding up.

The board of directors normally meets every two months to review the operation of the charity, consider/decide upon investments and to agree policies and procedures. Reports from the Operations Manager and the Treasurer are reviewed and updates given by the Chair and specific directors responsible for Safeguarding & Welfare and Communications. In addition a Strategy Meeting is normally held once per year to discuss and set the direction for the coming period. Decision making is the responsibility of the board.

Contact details for the charity are set out on the Winchester Basics Bank website (www.winchesterbasicsbank.org.uk).

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Reference and administrative details

Name of charity: Winchester Basics Bank
Charity registration number: 1102470
Company registration number: 05005690

Registered office and principal place of business:

21a Penton Place,
Milland Road
Winchester
SO23 OPZ

The directors (trustees and members) at the end of 2021 were as follows:

Mike Whitehead	Director and Chair
Mary Alveyn	Director
David Bartholomew	Director and Company Secretary
Paul Breakwell	Director and Treasurer
Beauman Chong	Director
Leona Mani	Director
Julie Wells	Director

Patron(s): Lord Raymond Plant (until March 2022)
David Innes OBE (from January 2022)

President: Dean Catherine Ogle

Independent Examiner: K.J. Stratton – Kimball Smith

Bankers: Santander 119 High St, Winchester SO23 9AS

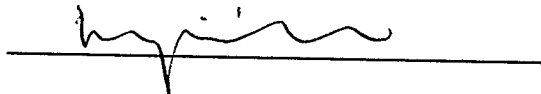
Deposit accounts also held with RBS, Virgin Money and
Kingdom Bank

Exemptions from disclosure

None applicable.

Approved by the Board of Directors on 9 May 2022 and signed on its behalf by:

Mike Whitehead, Director and Chair



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Report of the Independent Examiner to the trustees of Winchester Basics Bank

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st December 2021 as set out on pages 10 to 18 (including notes to the accounts).

Responsibilities and basis of report

As the charity trustees of the company (who are also the directors of the company 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 company are not required to be audited for this year 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 confirm that no material matters have come to my attention which give me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006;
- or the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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 (FRS102).

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.

Signed by: As signed by [*K.J. Stratton*]

Date: [*8th August 2022*]

Name: Kenneth John Stratton FMAAT 6195080

Address: c/o Kimball Smith
Brewery House
High Street
Twyford
Winchester
SO21 1RG

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Statement of Financial Activities (including Summary Income and Expenditure Account)

for the year ending 31st December

			Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
		Note	£	£	£	£
Income						
Donations	Donations and gifts		156,390	-	156,390	201,785
	Gift Aid on direct giving		12,033	-	12,033	11,022
	Donated goods received	1.f	115,302	-	115,302	122,997
Other income	Cash deposits interest		550	-	550	484
Total income			284,275	-	284,275	336,288
Expenditure						
Charitable activities	Donated goods given out	1.f	115,033	-	115,033	124,960
	FareShare fees		2,254	-	2,254	1,081
	Food purchased		3,763	-	3,763	3,990
	Staff costs	3.a	31,141	-	31,141	26,912
	Other costs	3.b	45,313	-	45,313	11,336
Total expenditure			197,504	-	197,504	168,279
Net income for the reporting period			86,771	-	86,771	86,659
Transfers between funds		10.	-	-	-	-
Net movement in funds			86,771	-	86,771	168,009
Reconciliation of funds						
Total funds brought forward		10.	261,430	25	261,455	93,446
Total funds carried forward		10.	348,201	25	348,226	261,455

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Balance Sheet

as at 31st December

		2021	2020
	Note	£	£
Fixed Assets	5.	1,320	1,760
Current assets			
Stocks	6.	29,282	29,013
Debtors and pre-payments	7.	10,889	156
Cash at bank and in hand	8.	308,802	230,526
Total current assets		348,973	259,695
Creditors: amounts falling due within one year	9.	2,067	-
Net current assets		346,906	259,695
Total assets less current liabilities		348,226	261,455
Funds of the charity			
Restricted income funds	10.	25	25
Unrestricted general funds	10.	318,919	232,417
Donated goods fund (fair value)	10.	29,282	29,013
Total funds	10.	348,226	261,455

The company is entitled to exemption from audit 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.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with Charities SORP (FRS102).

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These financial statements were approved by the Board of Directors on 9 May 2022 and are signed on its behalf by:

Mr Mike Whitehead, Director and Chair



The notes to the accounts on pages 12 to 18 form part of these financial statements

Notes to the accounts

1. Basis of preparation

- a. These accounts have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.
- b. The accounts have been prepared in accordance with the Charities Statement of Recommended Practice (FRS 102), second edition – October 2019 and with the Charities Act 2011 and with the Companies Act 2006.
- c. The charity constitutes a public benefit entity as defined by FRS 102.
- d. Unrestricted income funds exceed six months of operating costs and so the Directors conclude that the charity is a going concern.
- e. The accounts present a true and fair view and no changes have been made to the accounting policies.
- f. The value of donated goods for distribution to beneficiaries, predominantly food, groceries and toiletries, has been included in these accounts as required by Charities SORP (FRS102), except for items of immaterial or uncertain value such as clothing.

2. Accounting policies

- a. Income is generally recognised and included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to the resources and it is more likely than not that the trustees will receive the resources and the monetary value can be measured with sufficient reliability.
- b. There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the Charities SORP or FRS 102.
- c. Grants and cash donations are only included in the SoFA when the general criteria for recognition of income are met.
- d. Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered as part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.
- e. Donated goods are measured at fair value unless impractical to do so. The cost of stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed they are recognised as an expense at the carrying amount of the stocks at the time of distribution.
- f. The value of voluntary help received is not included in the accounts but is described in the directors' report (incorporating the Trustees' annual report).
- g. Interest income is included in the accounts when receipt is probable and the amount receivable can be measured reliably.
- h. Expenditure is recognised on an accruals basis and includes VAT which cannot be recovered.

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Liabilities are generally recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

- i. Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
 - j. The charity has creditors which are measured at settlement amounts less any trade discounts applicable.
 - k. Expenditure on individual fixed asset items of less than £2,000 cost is 100% written-off in the year of purchase. Items in excess of that are capitalized and depreciated over five years.
3. Expenditure on charitable activities

a. Staff costs

	2021	2020
		£
Salaries and wages	29,658	25,827
Social security costs	-	-
Pension costs	1,483	1,085
Total staff costs	31,141	26,912

Headcount for the period was 3 (2020: 3). The part time employees work wholly in the delivery and support of the charity's activities.

The charity continues to take advantage of the Government's NEST defined contribution workplace pension scheme. Pension costs are employer pension contributions. All pension expense is taken from unrestricted funds.

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b. Other costs

	2021 Total £	2020 Total £
Equipment, fixtures and depreciation	6,515	2,618
Transport expenses	291	73
Sundry operating costs	1,234	2,111
Rent & rates	26,187	2,124
Postage and stationery	30	325
Computer consumables	250	1,552
Insurance	2,229	906
Professional fees	5,058	-
Website	398	605
Training	1,527	523
Telephone	937	499
Energy & vouchers	657	-
Total other costs	45,313	11,336

c.

Equipment in 2021 relates mainly to equipping out the bulk store at Gabare House and improving efficiency and safety.

Equipment in 2020 relates mainly to clothes storage, trolleys, laptops and mobiles to meet the demands of increased volumes from the pandemic.

4. Taxation

The charity is exempt from tax on income and gains to the extent that these are applied for its charitable purposes. No tax liabilities or charges have arisen in the period.

5. Fixed Assets

During 2020, a clothes store was created at a cost of £2,200 (£2,200 last year). This is to be depreciated over five years and therefore £440 (£440 last year) of annual depreciation has been provided for. The net book value and accumulated depreciation are £1,320 (£1,760 last year) and £880 (£440 last year) respectively.

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6. Stocks

	2021 £	2020 £
Donated goods for distribution to beneficiaries		
Opening stock value	29,013	30,976
Received in period	115,302	122,997
Expensed in period	(115,033)	(124,960)
Closing stock value at 31 st December	29,282	29,013

Other than the stock of donated goods the charity does not hold any material value of stocks.

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7. Debtors and prepayments

as at 31st December	2021 £	2020 £
Donations in transit	-	-
Gift Aid reclaim	7,619	-
Rent deposit	3,114	
Prepayments	156	156
Total debtors	10,889	156

8. Cash at bank and in hand

as at 31st December	2021 £	2020 £
Short term deposits	304,050	170,304
Cash at bank and on hand	4,752	60,222
Total	308,802	230,526

9. Creditors and accruals

Amounts falling due within one year

as at 31st December	2021 £	2020 £
Accrued expenses	2,067	-
Taxation and social security	-	-
Total	2,067	-

There were no creditors falling due after more than one year at either 31st December 2021 or 2020.

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10. Fund movements

<u>Funds held and movement 2020</u>		Opening balance	Income	Expenditure	Transfers	Closing balance
		£	£	£	£	£
Restricted funds	Fuel poverty fund	25	-	-	-	25
	Basics supplies fund	1,177	-	(1,177)	-	-
	Sub-total	1,202	-	(1,177)	-	25
Unrestricted funds	General funds	61,268	213,291	(42,142)	-	232,417
	Donated goods fund (fair value)	30,976	122,997	(124,960)	-	29,013
	Sub-total	92,244	336,288	(167,102)	-	261,430
Total charity funds		93,446	336,288	(168,279)	-	261,455
<u>Funds held and movement 2021</u>		Opening balance	Income	Expenditure	Transfers	Closing balance
		£	£	£	£	£
Restricted funds	Fuel poverty fund	25	-	-	-	25
	Basics supplies fund	-	-	-	-	-
	Sub-total	25	-	-	-	25
Unrestricted funds	General funds	232,417	168,973	82,471	-	318,919
	Donated goods fund (fair value)	29,013	115,302	115,033	-	29,282
	Sub-total	261,430	284,275	197,504	-	348,201
Total charity funds		261,455	284,275	197,504	-	348,226

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11. Transactions with trustees and related parties

- a. None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity.
- b. No trustee expenses have been incurred or paid.
- c. There have been no related party transactions in the reporting period.