

Financial statements  
Making a Difference Locally Ltd  
(a company limited by guarantee)

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**For the year ended 30 June 2022**



## Charity Information

<b>Company registration number</b>	06502266
<b>Registered charity number</b>	1123800
<b>Principal and registered office</b>	Waldo Way Normanby Enterprise Park Scunthorpe DN15 9GE
<b>Trustees</b>	A Barber S Leach D Stokes J McNeill K Marsden M Aslam (appointed 17 November 2021) V Aston (appointed 17 November 2021) M Gisby (appointed 9 June 2022)
<b>Secretary</b>	C Sellers
<b>Bankers</b>	Barclays Bank plc Sheffield and Rotherham Group Leicester LE87 2BB
<b>Auditor</b>	Azets Audit Services Limited Triune Court Monks Cross Drive York YO32 9GZ
<b>Solicitors</b>	Wrigley's Solicitors LLP 3 <sup>rd</sup> Floor 3 Wellington Place, Leeds, LS1 4AP

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## Report of the Trustees

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 30 June 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, 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 the republic of Ireland (FRS102) (effective 1 January 2019).

### **Structure, governance and management**

#### **Constitution**

Making a Difference Locally Ltd ('MADL', 'the Company' or 'the Charity') is both a charitable company (Registered in England number 06502266) and a registered charity (Registered number 1123800).

The Governing document is the Memorandum and Articles of Association (Amended 10 January 2013). MADL is a company limited by guarantee, the liability of each member being limited to £1.

#### **Public Benefit Statement**

We provide public benefit through making donations to local charities and good causes. This public benefit is directly related to our charitable objectives. We confirm that we follow the Charity Commission's public benefit guidance.

#### **Trustees and management**

The directors of the charitable company are its trustees for the purposes of company law. The trustees and officers serving during the year and since the year end were as follows:

Trustees and directors: J McNeill  
S Leach (resigned 18<sup>th</sup> May 2022)  
K Marsden  
A Barber  
D Stokes  
S Etherington  
Mohammed Aslam  
Valerie Aston  
Mike Gisby (appointed 9<sup>th</sup> June 2022)

Secretary: C Sellers

The Board is subject to rotation and election by the members.

The Trustees are responsible for the operation of the Company including the raising of funds and approving donations to charities and good causes nominated by Nisa retailers and employees.

The Trustees are appointed for 3 year periods. Training is provided to ensure the Board comply with statutory and other requirements applicable to Charities and seek to follow best practice.

# Report of the Trustees

## Objectives and activities

The Company was incorporated on 12 February 2008 with the objectives to support charitable purposes approved by the Board. The principal aim of the Company is to invest in building stronger local communities by making donations to local charities and good causes. It seeks to bring communities together where everyone has equal access to good health and wellbeing, education, employment, good food and nutrition, shelter and security so that in the end we have been a catalyst for sustainable change and can leave a lasting legacy.

When reviewing the aims and objectives of the charity, and in planning future activities, the Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission and operate with the recommended practice set out in the Charity Governance Code.

## Achievements and performance

The Charity's main focus continues to be supporting smaller, regional charities and community causes where donations are more measurable and impactful and to help Nisa retailers donate funds to good causes within their local communities.

The strategy for achieving this has been founded upon securing donations through Nisa.

The company via its trading subsidiary continues to raise significant sums which will support the Charity in the forthcoming year. Amounts received in 2021/22 totalled £1,172,721- a drop year on year of £27,156 (2.2%) (2021: £1,199,887). This was better than expectations given the anticipated post-pandemic declining trading conditions for the charity's sole funder, Nisa Retail Limited.

The focus continues to be encouraging Nisa retailers to engage with their local communities and use their store's fund balances.

The number of Nisa retailers who donated money for the first time was 189 donating £126,729 (2021: 316 retailers, donating £202,815). Donations in the first half of the 2021/22 year were £473,805 (2021: £403,041).

In the current year a total of 278 donations exceeding £1,000 were made to charities and community groups across the UK.

In total, 1,936 individual donations were made totalling £920,759 being donated to small charities and good causes in the retailers' local communities, with donations ranging in value from £2.65 to £14,403 (2021: 1,725 totalling £1,058,188).

## Funding

Nisa Retail is the sole funder of the charity; all products included in the Co-op and Heritage own-label ranges carry a 0.6% donation to the charity.

## Plans for future periods

The charity plans to continue the activities outlined above in the forthcoming years.

## Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The charity collects cash donations from the general public mainly via collection tins left on till points, however this makes up a significantly small proportion of income.

## Report of the Trustees

Given the nature of the funding of the charity the Trustees consider that it remains appropriate not to be voluntarily bound to be regulated by the Fundraising Regulator but is voluntarily registered with it.

The charity has received no complaints in relation to fundraising activity for the year under review.

### **Donation Making Policy and Procedure**

Retailers supplied by Nisa nominate charities or good causes from their local communities to receive donations. The Charity administrative team verifies the charity or good cause to ensure it meets the requirements of the charity, then pass the request to the Board of Trustees who approve or decline the donation, based on the aims of the Company. The administrative team then processes the donation to the charity or good cause.

In addition, donations are made to two other groups: charities nominated by Nisa employees and regional community causes and charities determined by the Board of Trustees.

The significant activities are the making of donations in line with the objectives of the charity to approved charities and good causes. The donation making policies are set out above.

An exercise to measure the impact of MADL was carried out in 2017 with the result that for every £1 donated by MADL, £5.16 is returned in social value.

### **Reserves policy**

The trustees propose to maintain reserves in order to safeguard the activities of the charity for a period of time in the event that donations fall or cease. The reserves will allow the charity to continue to operate while seeking further funding, which will help to safeguard the interests of beneficiaries.

Operating costs in 2021/22 were £217,987 (2021: £277,427). The charity will maintain reserves at a level which is at least equivalent to one year's estimated operational expenditure. Free reserves as at the year-end amounted to £240,000 (2021: £240,000).

### **Financial review**

The Charitable group had a net expenditure of £60,464 (2020/21: net expenditure of £135,738) as set out in the financial statements. Reserves have decreased due to the desire of the Trustees to reduce these funds so that they can be put to work in our local communities. It is planned that this trend will continue until the reserves represent one year's administration costs in advance plus an amount representing approximately 3-6 months of accrued income restricted for the Retailers' nominations.

The administration costs were stable over the year.

### **Pay policy for senior staff**

The charity does not employ any staff; however, the charity is administered by colleagues employed by Nisa Retail. The charity has a Manager and three Executive Assistants who work for the Charity with their salary cost recharged in its entirety by Nisa Retail. In addition four other individuals work in part for the Charity and in part for Nisa Retail. A proportion of their salary cost, based on actual time spent, is charged by Nisa Retail to the Charity on an actual cost basis.

The recharged salaries are based on industry averages and pay awards are inflationary.

# Report of the Trustees

## **Risk management**

The Board reviews annually the material financial and non-financial risks facing the charity and, on a rolling cycle basis, reviews the effectiveness of the risk management process and the resources that our business devotes to them.

## **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval. The Trustees are constantly monitoring the financial position of the charity and the ongoing economic uncertainties. The charity has no borrowings and operates as a grant maker, as such awards can be flexed so not to give rise to a material uncertainty in regard to going concern.

## **Trustees' responsibilities statement**

The trustees (who are also directors of Making a Difference Locally Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

## Report of the Trustees

### **Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Auditors**

A resolution proposing that Azets Audit Services Limited be re-appointed as auditor of the charity will be put to the Annual General Meeting.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees on..... and signed on its behalf by:

J McNeill  
**Director and Trustee**



# Independent auditor's report to the members and trustees of Making a Difference Locally Ltd

## Opinion

We have audited the financial statements of Making a Difference Locally Ltd (the "parent charity" and its subsidiary (the "group") for the year ended 30 June 2022 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 June 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 Group or Parent 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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## Independent auditor's report to the members and trustees of Making a Difference Locally Ltd

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement within the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent auditor's report to the members and trustees of Making a Difference Locally Ltd

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

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

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of identifying irregularities, including fraud**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the trustees and other management, and from inspection of the charitable company's regulatory and legal correspondence. We discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation), pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charitable company to commit fraud. Our risk assessment procedures included: enquiry of trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

## Independent auditor's report to the members and trustees of Making a Difference Locally Ltd

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular the risks that income is recognised in the wrong reporting period or income relating to cash donations is omitted from the accounting records; and
- subjective accounting estimates.

Fraud risks may arise due to a potential desire to present the results in a differing light to suit management objectives.

As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias;
- testing controls around the handling of cash; and
- testing the recognition of income and in particular that it was recognised in the correct period.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Alan Sidebottom**  
**Senior Statutory Auditor**

**For and on behalf of Azets Audit Services Limited**  
**Statutory Auditor**

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Triune Court  
Monks Cross Drive  
York  
YO32 9GZ

## Consolidated statement of financial activities (incorporating the income and expenditure account)

	Note	Designated funds £	General funds £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
Donations and Gift Aid		1,172,589	-	1,172,589	1,199,250
Investment income		132	-	132	627
<b>Total income</b>		<b>1,172,721</b>	<b>-</b>	<b>1,172,721</b>	<b>1,199,877</b>
<b>Expenditure on:</b>					
<b>Expenditure on charitable activities:</b>					
<b>Grants awarded to:</b>					
- Retailers institutions	2	712,292	152,946	865,238	1,096,373
- National institutions	2	270,750	58,136	328,886	173,934
- Local institution	2	32,156	6,905	39,061	65,308
<b>Total expenditure</b>		<b>1,015,198</b>	<b>217,987</b>	<b>1,233,185</b>	<b>1,335,615</b>
<b>Net income/(expenditure) for the year before transfers</b>	<b>3</b>	<b>157,523</b>	<b>(217,987)</b>	<b>(60,464)</b>	<b>(135,738)</b>
<b>Transfer between funds</b>		<b>(217,987)</b>	<b>217,987</b>	<b>-</b>	<b>-</b>
<b>Net expenditure for the year</b>		<b>(60,464)</b>	<b>-</b>	<b>(60,464)</b>	<b>(135,738)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,214,906	240,000	1,454,906	1,590,644
<b>Total funds carried forward</b>	<b>9</b>	<b>1,154,442</b>	<b>240,000</b>	<b>1,394,442</b>	<b>1,454,906</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

A fully detailed Statement of Financial Activities for the year ending 30 June 2021 is shown at note 13.

The notes on pages 16-24 comprise part of these financial statements.

## Balance sheets

		Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
<b>Fixed assets</b>					
Investments	5	-	10	-	10
<b>Current assets</b>					
Debtors	6	105,000	149,134	118,351	-
Cash at bank		1,364,892	1,250,726	1,414,950	1,277,563
		1,469,892	1,399,860	1,533,301	1,277,563
<b>Creditors: amounts falling due within one year</b>	7	(75,450)	(5,427)	(78,395)	(435,552)
<b>Net current assets</b>		1,394,442	1,394,433	1,454,906	842,011
<b>Total assets less current liabilities</b>		1,394,442	1,394,433	1,454,906	842,021
<b>Funds</b>					
Designated funds	9	1,154,442	1,154,433	1,214,906	602,021
General funds	9	240,000	240,000	240,000	240,000
<b>Total funds</b>		1,394,442	1,394,433	1,454,906	842,021

The notes on pages 16-24 form part of these financial statements.

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

These financial statements were approved by the Trustees on ..... and are signed on their behalf by:

J McNeill  
 Director and Trustee

**Company Registration Number: 06502266**

## Consolidated cash flow statement

	<i>Note</i>	2022 £	2021 £
Net cash produced by operating activities	11	(50,190)	24,506
Cash flows from investing activities:			
Interest received		132	627
<b>Net cash provided by investing activities</b>		<b>132</b>	<b>627</b>
Change in cash and cash equivalents in the year		(50,058)	25,133
Cash and cash equivalents at the beginning of the year		1,414,950	1,389,817
<b>Cash and cash equivalents at the end of the year</b>		<b>1,364,892</b>	<b>1,414,950</b>

# Notes to the financial statements

## **1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### **Company information**

Making a Difference Locally Limited ("MADL") is a company limited by guarantee registration number 06502266. The guarantors are the trustees named on page 1. The liability in respect of this guarantee, as set out in the memorandum, is limited to £1 per member. The Company is also a charity registered with the Charity Commission in England and Wales, Registration Number 1123800.

### **Accounting convention**

The financial statements have been prepared on a going concern basis 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 2019) (Charities SORP (FRS 102)), the Companies Act 2006 and the Charities Act 2011.

MADL meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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 £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

### **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval. The Trustees are constantly monitoring the financial position of the charity. The charity has no borrowings and operates as a grant maker, as such the current economic climate is not expected to give rise to a material uncertainty in regard to going concern.

### **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary Making A Difference Locally (Marketing) Ltd on a line by line basis. The summarised profit and loss account for the subsidiary is shown in note 5. A separate Statement of Financial Activities, including the income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006. The gross income of the charity was £1,619,622 (2021: £1,142,291) and the net surplus was £552,412 (2021: £42,929 net deficit).



# Notes to the financial statements

## **1 Accounting Policies (Continued)**

### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Company.

Designated funds are funds held to be applied by the trustees in line with the wishes of retailers supplied by Nisa Retail or the Head office staff of Nisa as set out in the notes to the financial statements.

### **Income**

Income includes the total receivable during the period from grants, sponsorship, donations, gift aid and other income.

Gift Aid is recognised on the same basis as donations. The company receives gift aid each year from Making a Difference Locally (Marketing) Ltd, under the provisions related to Gift Aid as at the point there is a legal obligation or it is physically settled in cash.

Investment income is recognised on a receivable basis.

### **Expenditure**

Charitable expenditure comprises of grants made to nominated charities or good causes, as well as national charities and those charities nominated by the staff of Nisa Retail or Retailer Supermarkets which are made in furtherance of the charitable objectives of the charity.

The Charity applies a grant making policy to the above charitable expenditure, which requires members to submit an application for a grant to be paid. Applications are subject to a review process and require approval from the Board of Trustees before being issued. The grants must be made to causes that are compliant with the Charity's core values, considered to be local to the member, and not for purposes that are unlawful or prohibited by the Board of Trustees.

Support costs allocated to charitable expenditure comprise all costs relating to the running and administration of the charity, these costs include legal and audit fees.

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

### **Investments**

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

### **Financial instruments**

The group 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.

### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

# Notes to the financial statements

## **1 Accounting Policies (Continued)**

### **Debtors**

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

### **Creditors, loans and provisions**

Creditors, loans and provisions are recognised where the group 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, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

### **Taxation**

Making a Difference Locally Limited is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the parent charitable company is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

The trading subsidiary is liable to corporation tax on their chargeable profits. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary were gift aided to the parent charitable company within nine months of the year end, in both the current and prior financial year, no corporation tax arises.

### **Critical accounting estimates and judgements**

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

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

The Trustees consider that there are no assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities recognised in the balance sheet as at 30 June 2022.

## Notes to the financial statements

### 2 Expenditure on charitable activity

Year ended 30 June 2022:	Direct costs	Support costs	2022
	£	£	£
<b>Grants awarded to:</b>			
Retailers nominated institutions	712,292	152,946	865,238
National institutions	270,750	58,136	328,886
Local institutions	32,156	6,905	39,061
<b>Total cost</b>	<b>1,015,198</b>	<b>217,987</b>	<b>1,233,185</b>

  

Year ended 30 June 2021:	Direct costs	Support costs	2021
	£	£	£
<b>Grants awarded to:</b>			
Retailers nominated institutions	868,640	227,733	1,096,373
National institutions	137,805	36,129	173,934
Local institutions	51,743	13,565	65,308
<b>Total cost</b>	<b>1,058,188</b>	<b>277,427</b>	<b>1,335,615</b>

Direct costs of charitable activity represents a total 1,503 (2021 – 1,725) grants awarded totalling £1,015,198 (2021 - £1,058,188) which have been paid from designated funds.

Owing to the nature of the organisations to which grants and awards made they vary in size with modest grants making a very meaningful difference to these local and community causes. Grants are paid to causes across the charitable objects of good health and wellbeing, education, employment, good food and nutrition, shelter and security.

Support costs totalling £217,987 (2021 - £277,427) relate to unrestricted expenditure.

Grants to Institutions over £10,000	2022	2021
	£	£
Royal National Lifeboat Institution	17,865	-
The Trussell Trust	14,403	17,528
Rapid Relief Team	13,461	-
	<b>45,729</b>	<b>17,528</b>

## Notes to the financial statements

### 2 Expenditure on charitable activity (continued)

#### Analysis of Support Costs

	2022 £	2021 £
NISA administration costs	156,809	150,154
Governance costs	18,212	14,655
Advertising costs	33,155	111,938
Other expenses	9,772	454
Bank charges	129	226
<b>Total support costs</b>	<b>217,987</b>	<b>277,427</b>

Governance costs included within support costs include fees payable to the auditor as detailed in note 3.

### 3 Net income for the period is stated after charging:

	2022 £	2021 £
Auditor's remuneration		
- audit of the financial statements	10,900	10,100
- other services	3,950	3,300

### 4 Employees

No trustees received any remuneration, benefits, or out of pocket expenses from the company for the performance of their duties during the period under review (2021: No Trustees).

There were no employees of the charitable company during the year. Support costs include an administration and advertising recharge of £184,711 (2021 - £237,847) of which £150,833 (2021 - £143,279) relates to recharged staff costs.

### 5 Fixed asset investments

#### Company

	2022 £	2021 £
Subsidiary undertaking	10	10

The Company owns the entire issued ordinary share capital of Making a Difference Locally (Marketing) Ltd, a company registered in England and Wales, whose principal activity is the raising of funds to further the aims of its parent undertaking, Making a Difference Locally Ltd.

## Notes to the financial statements

### 5 Fixed asset investments (continued)

The result of the Company's trading activities through its subsidiary undertaking is detailed below.

	2022 £	2021 £
Turnover	1,135,935	1,163,310
Expenditure for the year	(165,985)	(150,394)
<b>Profit for the financial year</b>	<b>969,950</b>	<b>1,012,916</b>
Distribution to parent charity under gift aid	(1,582,836)	(1,105,724)
<b>Retained profit</b>	<b>(612,886)</b>	<b>(92,808)</b>
<b>Reconciliation of retained earnings</b>		
Share capital	10	10
Total retained earnings brought forward	612,886	705,694
<b>Total retained earnings carried forward</b>	<b>-</b>	<b>612,886</b>
<b>Total equity and reserves</b>	<b>10</b>	<b>612,896</b>

The aggregate of the assets, liabilities and funds was:

	2022 £	2021 £
Assets	219,366	677,229
Liabilities	(219,356)	(64,333)
<b>Funds</b>	<b>10</b>	<b>612,896</b>

### 6 Debtors

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Other debtors	105,000	-	118,351	-
Amounts owed from subsidiary undertaking	-	149,134	-	-
<b>Total debtors</b>	<b>105,000</b>	<b>149,134</b>	<b>118,351</b>	<b>-</b>

## Notes to the financial statements

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

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Trade creditors	-	-	-	93,539
Other creditors	75,450	5,427	78,395	186,503
Amounts due to subsidiary undertaking	-	-	-	155,510
<b>Total creditors</b>	<b>75,450</b>	<b>5,427</b>	<b>78,395</b>	<b>435,552</b>

### 8 Statement of funds

For the year ended 30 June 2022

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfer £	Balance at 30 June 2022 £
<b>Group Funds:</b>					
Designated funds	1,214,906	1,172,721	(1,015,198)	(217,987)	<b>1,154,442</b>
Unrestricted funds	240,000	-	(217,987)	217,987	<b>240,000</b>
<b>Total funds</b>	<b>1,454,906</b>	<b>1,172,721</b>	<b>(1,233,185)</b>	<b>-</b>	<b>1,394,442</b>

Designated Funds – These funds relate to donations committed to retailers supplied by Nisa. During the year, a transfer of £217,987 (2021: £277,427) was recognised to ensure that sufficient funds are allocated to cover administrative costs in the following financial year.

For the year ended 30 June 2021

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfer £	Balance at 30 June 2021 £
<b>Group Funds:</b>					
Designated funds	1,350,644	1,199,877	(1,058,188)	(277,427)	<b>1,214,906</b>
Unrestricted funds	240,000	-	(277,427)	277,427	<b>240,000</b>
<b>Total funds</b>	<b>1,590,644</b>	<b>1,199,877</b>	<b>(1,335,615)</b>	<b>-</b>	<b>1,454,906</b>

## Notes to the financial statements

### 9 Analysis of net assets between funds

For the year ended 30 June 2022	Net current assets	Total 2022
	£	£
<b>Group</b>		
Designated funds	1,154,442	1,154,442
Unrestricted funds	240,000	240,000
<b>Total Group Funds</b>	<b>1,394,442</b>	<b>1,394,442</b>

  

For the year ended 30 June 2021	Net current assets	Total 2021
	£	£
<b>Group</b>		
Designated funds	1,214,906	1,214,906
Unrestricted funds	240,000	240,000
<b>Total Group Funds</b>	<b>1,454,906</b>	<b>1,454,906</b>

### 10 Related party transactions

Income of £1,135,935 (2021: £1,163,310) was collected by Nisa Retail Limited and transferred to Making a Difference Locally Ltd via its subsidiary Making a Difference Locally (Marketing) Ltd. In addition £184,711 (2021: £237,847) of administration and advertising costs were originally incurred by Nisa Retail Limited, then recharged to Making a Difference Locally (Marketing) Ltd. As at the year end, an amount of £105,000 (2021 - £118,351) was owed from Nisa Retail Limited.

As at the year end, Making a Difference Locally Limited had a debtor balance owed from Making a Difference Locally (Marketing) Limited amounting to £149,134 (2021 creditor balance - £155,510).

Andrew Barber, one of the Trustees, is the CEO of the Hey Smile Foundation. During the year, grant awards of £4,000 (2021 - £2,000) were made to the Hey Smile Foundation.

The Trustees consider themselves to be key management personnel.

## Notes to the financial statements

### **11 Reconciliation of net movement in funds to net cash flow from operating activities**

	2022	2021
	£	£
Net movement in funds	(60,464)	(135,738)
<b>Adjustments for:</b>		
Interest received	(132)	(627)
Decrease in debtors	13,351	171,712
Decrease in creditors	(2,945)	(10,841)
Net cash (used in)/provided by operating activities	(50,190)	24,506

### **12 Analysis of changes in net debt**

The Charity had no debt during the current or previous year.



## Notes to the financial statements

### 13 Comparative Statement of Financial Activities

#### **Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the year ending 30 June 2021**

	Designated funds £	General funds £	Total funds 2021 £
<b>Income from:</b>			
Donations and Gift Aid	1,199,250	-	1,199,250
Investment income	627	-	627
<b>Total income</b>	<b>1,199,877</b>	<b>-</b>	<b>1,199,877</b>
<b>Expenditure on:</b>			
Expenditure on charitable activities:			
<i>Grants awarded to:</i>			
- Retailers institutions	868,640	227,733	1,096,373
- National institutions	137,805	36,129	173,934
- Local institution	51,743	13,565	65,308
<b>Total expenditure</b>	<b>1,058,188</b>	<b>277,427</b>	<b>1,335,615</b>
<b>Net expenditure for the year before transfers</b>	<b>141,689</b>	<b>(277,427)</b>	<b>(135,738)</b>
<b>Transfer between funds</b>	<b>(277,427)</b>	<b>277,427</b>	<b>-</b>
<b>Net expenditure for the year</b>	<b>(135,738)</b>	<b>-</b>	<b>(135,738)</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	1,350,644	240,000	1,590,644
<b>Total funds carried forward</b>	<b>1,214,906</b>	<b>240,000</b>	<b>1,454,906</b>