

REGISTERED COMPANY NUMBER: 06809593 (England and Wales)
REGISTERED CHARITY NUMBER: 1128541

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2021
for
NewStarts

**Contents of the Financial Statements
for the year ended 31 March 2021**

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NewStarts (Registered number: 06809593)
Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Purpose and charitable objects

- To alleviate poverty through providing practical help to families and vulnerable people and access to free and discounted household items
- To assist in the resettlement of homeless and other vulnerable people who are in need, hardship or distress through offering support and advice and opportunities for learning and work experience.
- To relieve poverty and protect and preserve the environment for the public benefit by promoting and enabling the reuse of unwanted household goods.

The aims of the charity are to reduce and prevent both poverty and homelessness and to reduce the effect of landfill on the environment, encouraging local people to participate in the work, whether that is through donations of furniture and/or funds and through volunteering in one of the many roles available. Our aims fully reflect the purposes that the charity was set up to further.

Vision

NewStarts' vision is to see individuals achieving their full potential, where homelessness, poverty, debt and environmental damage become things of the past, and where community challenges are solved by the local community.

Significant activities

In 2020/21 we spent £484,661 on charitable activities in the following ways:

- Emergency Intervention- providing emergency food and free furniture	92%
- Support costs	4%
-Fundraising costs	4%

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remain focused on our stated purposes. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

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Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021

The focus of our work

Our main objectives for the year continued to be the reduction and prevention of homelessness and poverty and protection of the environment, however the Covid-19 pandemic changed the emphasis of our work from furniture to emergency food provision and sale of computers.

- Providing a range of services through our furniture and IT re-use social enterprises
- Providing emergency help through signposting and emergency food provision
- Working in partnership with other agencies to ensure that individuals and families are able to access the services that best match their needs.

How our activities deliver public benefit

Our main activities and who we try to help are described below. All our charitable activities focus on the reduction and prevention of homelessness, poverty and environmental impact of landfill and are undertaken to further our charitable purposes for the public benefit. Our activities are delivered from our headquarters in Bromsgrove, our satellite site in New Frankley, south-west Birmingham, or from a partner site.

Who used and benefited from our services

Our objects and some of our funding limit the services we provide to the residents in Worcestershire, Birmingham, Warwickshire and other areas. The Covid-19 pandemic meant that almost all of those who were homeless at the time were provided with temporary accommodation through the Government's 'Everyone In' initiative, which reduced the number of referrals for household items received, however at the same time, the lockdowns imposed on the nation, meant that the number of individuals and families requiring assistance with food increased. All of our referral services are provided free of charge to the recipients.

Equal access to our services is an important issue for us. We believe equal access is vital and that successful outcomes must be shared by all communities that use our services. We currently monitor those accessing our services by gender, disability and ethnicity. Over the next year we will be using the information we gather to develop marketing and fundraising strategies.

The impact of our work goes beyond those directly helped. The provision of furniture (shelter) and food is considered to be a basic requirement within Maslow's Hierarchy of Need pyramid and consequently without them individuals and families are unable to participate even at a basic level in their community. In addition the lack of these basic needs lead to both short and long-term consequences. A tired child (due to lack of a bed) can become disruptive in a classroom not only affecting their own education but that of their peers.

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for the year ended 31 March 2021

Furniture Bank

The furniture bank provides a range of pre-loved household items at no cost, to individuals and families that have no other way of furnishing their homes, either as a new tenant or indeed if they are an existing tenant.

In 2020/21 we provided 171 households with household items, a decrease of 294 (64%) on the previous year, however still a remarkable achievement during the period, when multiple restrictions were placed on operations, due to the pandemic.

The bar charts below show the breakdown of referrals, with Fig 1 showing the distribution of furniture provision in *numbers* across north Worcestershire and Birmingham, and Fig 2 showing the distribution by provision in *weight* of goods provided across north Worcestershire and Birmingham. The referrals provided to north Worcestershire residents tend to be much larger than those provided to Birmingham residents and will often comprise sufficient furniture to furnish a three-bedroomed house.

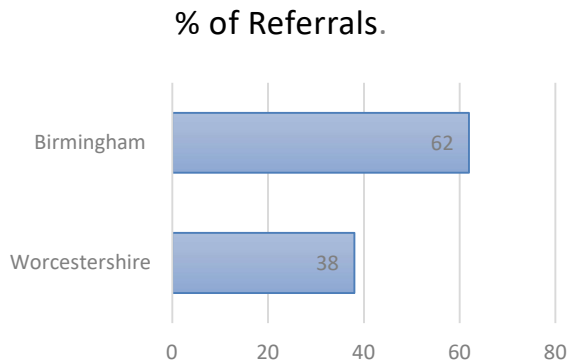


Fig 1



Fig 2

NewStarts (Registered number: 06809593)
Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021

Food parcels

During 2020/21 year the food bank provided 3,801 food parcels the equivalent of 230,000 meals. This is an increase of 3,279 (728%) on the previous year, due entirely to the Covid-19 pandemic. During the main lockdown we suspended the need for a 'referral' and provided seven-day parcels of food, which included fresh meat, vegetables, fruit, butter, bread, cheese. The provision of fresh items continued until October 2021, when, due to a return to a more normal way of living and the reduced levels of funding for this area of work, we decided that whilst all other fresh produce would continue, the provision of fresh meat would no longer continue. We are grateful to all the businesses, individuals and grant providers who have made this momentous achievement possible.



Case Study

Alan is a young man, with a young family. Just before the pandemic he began his own business and whilst it wasn't making much, it was bringing in money to support his partner and children. The lockdown meant he couldn't carry on the work, leaving him struggling to afford food and not entitled to any of the government support other than Universal Credit. We were able to provide him with emergency food parcels and Christmas presents, until he was able to start working again.

Social Enterprise

NewStarts operates three successful social enterprises. Two of these sell pre-loved furniture at affordable prices, one operates from our headquarters in Bromsgrove, Worcestershire and the other from our satellite site in New Frankley, Birmingham. In this last year the income from these two social enterprises, including collection donations and house clearances, amounted to 22% of our overall income.

Our third social enterprise involves the refurbishing and selling of computers. These are collected from a variety of sources and our team are then able to refurbish them so that they can be sold on at affordable prices. Many are needed for low-income families to gain entry to employment opportunities. This work produced an additional 8% of our income in 20/21.

During the pandemic two of our three enterprises were closed, being Bromsgrove furniture for six months and New Frankley furniture for 11 months. Both of these were due to a combination of legislation and the need to keep the food bank operating in the case of New Frankley. The computers remained open and ran a click-and-collect service which was very successful, and such income increased by 40%.

We also have contracts with both County and District councils that provide a total of 50% of our overall income. We would like to increase this percentage, and we are constantly reviewing our operations in order to maximise the income from our social enterprises.

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Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021

Volunteering

During the pandemic, much of our volunteering programme was suspended, however we were able to recruit volunteer delivery drivers, in order to deliver food parcels. As we have opened, some but not all of our pre-pandemic volunteers have returned. Over the year we have worked with 30 new volunteers. We are currently recruiting volunteers, but this is taking some time.

Environmental Impact

We are pleased to say that in 2020/21 we diverted 70 tonnes of household items from landfill (less than previous years, however this is due to the Covid pandemic), a saving of 23.5 tonnes of CO₂ emissions. We are currently working on the calculations to understand our own carbon footprint and will be working towards ensuring that we are at least carbon neutral over the next few years.



COVID-19 Response

As has been mentioned previously in this report, the performance of the organization was heavily affected by the Covid-19 pandemic. From April 20 through to January 21 the Board of Trustees met on a weekly and then fortnightly basis with the Chief Executive. From January the Board reverted to bi-monthly meetings.

The financial impact of the pandemic has been significant, with reduced income from our social enterprises, but significantly increased income from grants, much of which was for the purchase of emergency food. During the pandemic we furloughed two members of staff, initially for three months and then one of them for a further three months during the second major lockdown. The furloughs were undertaken in order to protect the staff concerned.

Whilst a difficult time, the pandemic had been very positive for the organisation. We have been able to take on the role as a lead organisation on a number of projects in the communities within which we work, which has enabled us to:

- become more aware of the challenges facing these communities.
- set up a money advice service in conjunction with Community Money Advice and opening a hub in the New Frankley area;
- work in partnership with other organisations more;
- try out new things including a pop-up Christmas toy shop (parents and grandparents were able to come and choose, free of charge, brand new toys that had been gifted to us);
- identify areas of our work that could be more profitable and areas of work that need reviewing.

Last but by no means least, our staff and volunteers accomplished more than we could ever have imagined during the past year and we are immensely grateful for all their hard work and commitment.

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for the year ended 31 March 2021

Key risks and Uncertainties

The key risks and uncertainties that NewStarts faces are:

- To have sufficient income to maintain services provided to the community.
- Responding to the increasing need for the services.

The Board of Trustees maintain an organisational risk register which identifies the risks and provides mitigation to reduce the likelihood and impact of the risks identified.

The Board of Trustees is developing a robust financial strategy supported by a digital strategy to ensure that sufficient income is available to maintain services. In addition expenditure is monitored on a monthly basis to ensure that best value for money is achieved.

Further restrictions or 'lockdowns' that require non-essential retailers to close would have a significant impact on the income of the organisation.

Future Plans

The Board of Trustees have been in the process of recruiting new Trustees, and will then be developing a new Strategic Plan to take forward the objects of the charity. Currently the organisation is working closely with Worcestershire County Council to imbed *Asset Based Community Development* in the Bromsgrove Area and will continue with this work which empowers local communities to develop their own solutions.

In addition to the new Strategic Plan the Board of Trustees will be working closely with the Executive team and volunteers to identify how services can be improved and which new services and opportunities NewStarts may be able to develop.

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Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021

FINANCIAL REVIEW

OVERVIEW

Income

Operating activities: our main operating income (i.e. before grants and donations) decreased by 32% on last year to reach £148,568. This income is vital in helping to off-set our ever increasing running costs as we continue to expand our activities in countering poverty. The decrease of £69,139 is purely as a result of the Covid-19 pandemic and the resulting restrictions placed on non-essential premises.

Donations and Legacies: this vital income source increased by 391% in 20/21 to £476,294. This increase was almost wholly due to the increased grants for food and COVID recovery.

Expenditure

Our costs rose by £192,506 to £504,134. The increase in expenditure was mostly due to the increased spend on food for the emergency food parcels, including fresh items. In addition the Board of Trustees decided in July 2020 to commit to becoming *Real Living Wage* employers, as part of the organisation's commitment to end poverty; this increased the salaries of those on National Minimum Wage and all other staff were given commensurate pay increases.

Year End Outcome

The net effect of income over expenditure resulted in our incurring a net surplus of £120,728 for the year (2020: surplus £3,035). It should be noted that the surplus includes a non-cash depreciation charge of £14,164. If these results are adjusted to show our true operating performance (i.e. excluding non-cash items) then 2021 would reveal an operating surplus of £134,892, and 2020 a surplus of £16,839. The substantial difference between the two years is due entirely to the increase in grant income.

Cash Flow

In cash flow terms our net bank balance at 31 March 2021 was £207,694 (2020: £65,643) which reflects an increase in funds from last year by £142,051. The increase, as mentioned above, is due to the much higher levels of grant funding received throughout the year.

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Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021

Principal funding sources

NewStarts' business model is a social enterprise charitable company that receives funding from various sources. The main funding categories shown in Fig 3 totalling £624,862 are:

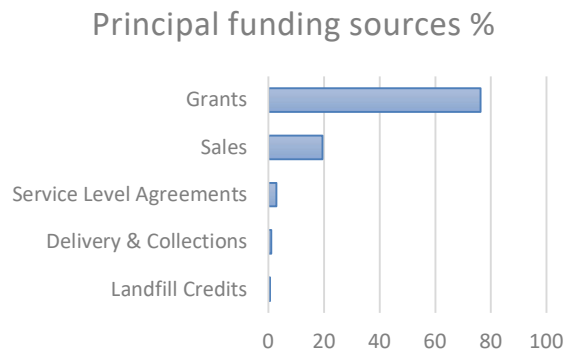


Fig 3

Principal expenditure

The main categories of expenditure, shown in Fig 4 totalling £504,134 are:

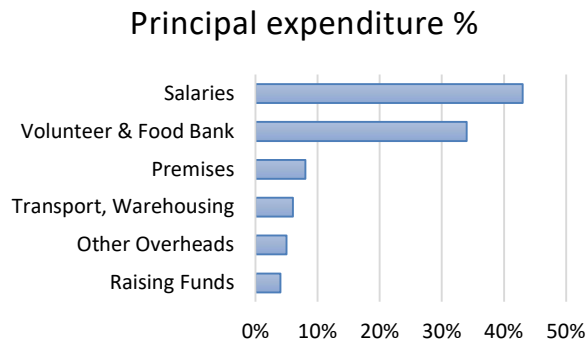


Fig 4

NewStarts (Registered number: 06809593)
Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021

Donations and Legacies

These amounted to £476,294 (2020: £96,956) from the following sources:

- Bromsgrove District Council
- Redditch Borough Council
- Birmingham City Council
- DEFRA
- Big Issue Invest – Social Enterprises Fund
- National Lottery – Awards For All
- National Lottery
- Worcestershire Community Fund
- Heart of England Community Fund
- B & M; TK Maxx; Baron Davenport; Alfred Haines; BVSC; Co-op Community Fund; DMF Ellis; Charities Aid Foundation; MIS Computers; Groundwork UK; Henry Smith; Independent Food Alliance Network; Serco; Severn Trent Water Trust; The February Foundation; The Montal Charitable Trust; WRAP;
- Other donations from private individuals, churches, fundraising events and other organisations.

Restricted income and expenditure

Included in the above note "Donations and Legacies" are certain grants and funding that come to NewStarts with restrictions as to their use, amounting to £430,581 (2020: [£87,720](#)). NewStarts does not have discretion over how restricted funds are used other than for the nominated purpose.

A total of £335,101 (2020: £65,362) was spent as restricted expenditure against the total restricted funds of £488,108, restricted funds being carried forward are £153,007 to next year. Major restricted expenditures in the year were (1) purchase of food for our emergency food service (2) salaries

Investment policy

Most of the charity's cash resources are spent on a short-term basis. This means that NewStarts is not able to place cash on interest earning deposits without unacceptable notice periods or unavoidably low interest rates. The charity continues to review its investment policies so as to ensure that as far as possible it maximises its cash position.

Reserves policy

The Trustees have maintained their policy whereby the unrestricted funds held by the charity should aim to cover up to 3 months operating expenditure. As our unrestricted reserves at March 2021 were £41,227 (2020: £16,750), which is still short of this target, we are at present likely to remain below our required reserve levels. Accordingly the longer term strategy is to continue to build reserves whenever this is possible. Restricted reserves were £153,007 (2020: £56,756). Further details are provided in Note 18.

NewStarts (Registered number: 06809593)
Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance and management

NewStarts is an independent charity, registered on 8 March 2009, having been incorporated as a limited company by guarantee on 4 February 2009. It commenced trading in this format on 1 April 2009 (Charity registration number 1128541). The charity is controlled by its governing document, Memorandum and Articles of Association

Recruitment, appointment and induction of new trustees

The Board of Trustees may at any time appoint persons willing to act as Trustee, and Trustees are normally drawn from experienced charitable or business backgrounds. The induction of new Trustees is conducted on a one-to-one basis. Any training needs are identified and input is scheduled as soon as appropriate.

Decision making

The trustees delegate day to day management of the charity to M Kenyon (the chief executive) and relevant staff who are accountable to the Trustees.

Responsibilities of trustees

Trustees are expected to take a close interest in the operations and outcomes of the charity, and to meet regularly to review the business of the charity. The main responsibilities of the board of Trustees are:

1. To ensure the charity is carrying out its purposes for the public benefit
2. To comply with the charity's governing document and the law
3. To act in charity's best interests
4. To manage the charity's resources responsibly
5. To act with reasonable care and skill
6. To ensure accountability within the charity, as well as when responsibility is delegated to staff or volunteers
7. To comply with the Statutory Accounting and Reporting requirements

NewStarts (Registered number: 06809593)
Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06809593 (England and Wales)

Registered Charity number

1128541

Registered office

1 Sherwood Road
Aston Fields
Bromsgrove
Worcestershire
B60 3DR

Trustees

Philip Bamber (Chair) – resigned 16.09.21
Matt Bonham – joined 16.11.21
Linda Cooke
Therese Down – joined 16.11.21
Rev David Ford – resigned 24.03.21
John Grundy
Stuart Hood – joined 16.11.21
Nicola Martin
Sarah Reece-Mills – joined 16.11.21
Edward Stott

Key Personnel

• Marion Kenyon – Chief Executive Officer • Andrew Pain – HR & Development Manager

Independent Examiner

Beyond Profit Limited
Bolton Arena
Arena Approach
Horwich
Bolton
BL6 6LB

Solicitors

Thomas Horton LLP
Strand House
70 The Strand
Bromsgrove
Worcestershire
B61 8DQ

Accountants

Be Buoyant Limited
Reinsbrook
Sambourne Park
Sambourne
B96 6PE

Bankers

Barclays Bank
118 High Street
Bromsgrove
Worcestershire
B61 8ET

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

NewStarts (Registered number: 06809593)

**Report of the Trustees (including Directors' Report)
for the year ended 31 March 2021**

Statement of trustees' responsibilities

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

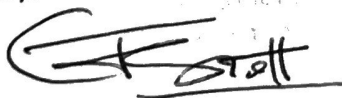
Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Approved by order of the board of trustees on 16 December 2021 and signed on its behalf by:



.....
Edward Stott - Trustee

Independent examiner's report to the trustees of NewStarts for the year ended 31 March 2021

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021 which are set out on pages 14 to 32.

Responsibilities and basis of report

As the charity trustees of the company (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 company 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 company'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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Chartered Institute of Management Accountants.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of 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
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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.



Emma Willder, FCMA, CGMA, CG(Affiliated)

Beyond Profit Ltd, G104 Bolton Arena, Arena Approach, Horwich, Bolton, BL6 6LB

Date: 17 December 2021

NewStarts
Statement of Financial Activities
(incorporating an Income and Expenditure Account)
for the year ended 31 March 2021

	Note	Unrestricted 2021 £	Restricted 2021 £	TOTAL 2021 £	Unrestricted 2020 £	Restricted 2020 £	TOTAL 2020 £
INCOME FROM:							
Donations and legacies	2	45,713	430,581	476,294	9,236	87,720	96,956
Charitable activities	3	148,568	-	148,568	217,707	-	217,707
TOTAL INCOME		194,281	430,581	624,862	226,943	87,720	314,663
EXPENDITURE ON:							
Raising funds	4	1,869	17,604	19,473	879	8,895	9,774
Charitable activities	5	167,164	317,497	484,661	245,296	56,467	301,763
Other				-	91	-	91
TOTAL EXPENDITURE		169,033	335,101	504,134	246,266	65,362	311,628
NET INCOME/(EXPENDITURE)		25,248	95,480	120,728	(19,323)	22,358	3,035
Transfer between funds		(771)	771	-	-	-	-
NET MOVEMENT IN FUNDS		24,477	96,251	120,728	(19,323)	22,358	3,035
Fund balances brought forward		16,750	56,756	73,506	36,073	34,398	70,471
TOTAL FUNDS CARRIED FORWARD		41,227	153,007	194,234	16,750	56,756	73,506

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

All income and expenditure derive from continuing activities.

NewStarts (Registered number: 06809593)

**Balance Sheet
As at 31 March 2021**

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		359,651		372,736
CURRENT ASSETS					
Debtors	11	17,591		10,754	
Cash at bank and in hand		207,694		65,643	
		<u>225,285</u>		<u>76,397</u>	
CREDITORS : amounts falling due within one year	12	<u>(45,015)</u>		<u>(23,132)</u>	
NET CURRENT ASSETS			<u>180,270</u>		<u>53,265</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>539,921</u>		<u>426,001</u>
CREDITORS : amounts falling due after one year	13		<u>(345,687)</u>		<u>(352,495)</u>
			<u>194,234</u>		<u>73,506</u>
FUNDS					
Unrestricted			41,227		16,750
Restricted	18		153,007		56,756
TOTAL FUNDS			<u>194,234</u>		<u>73,506</u>

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to independent examination under the Charities Act 2011.

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 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 SORP FRS102.

The financial statements were approved and authorised for issue by the Board on date 16/2/21 and signed on its behalf by:

E J STOTT
Trustee



L COOKE
Trustee



NewStarts
Statement of Cashflows
for the year ended 31 March 2021

	Notes	2021 £	2020 £
CASH INFLOW FROM OPERATING ACTIVITIES	16	167,747	43,994
CASH FLOW FROM INVESTING ACTIVITIES			
Payment to acquire tangible fixed assets		(1,079)	(10,427)
CASH OUTFLOWS FROM FINANCING ACTIVITIES			
Bank loan repayment		(5,709)	(8,999)
Bank interest paid		(18,908)	(23,206)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(25,696)	(42,632)
NET INCREASE IN CASH AND CASH EQUIVALENTS		142,051	1,362
CASH AND CASH EQUIVALENTS AT THE START OF PERIOD		65,643	64,281
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		207,694	65,643
CASH AND CASH EQUIVALENTS CONSISTS OF:			
Cash at bank and in hand		207,694	65,643

NewStarts

Notes to the financial statements for the year ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of Preparing Financial Statements

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019 (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice that is SORP FRS102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each significant restricted fund is set out in the notes to the financial statements.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. The following specific policies apply:

- (a) Voluntary income by way of donations and grants is included in full in the Statement of Financial Activities when it is receivable.
- (b) Items donated and sold through the charity's shop are included as incoming resources within activities for generating funds when they are sold.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources.

Governance Costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the SORP FRS102 or FRS 102.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land is not depreciated

Freehold buildings	2% on cost
Improvement to property	20% on cost
Plant & Machinery	33% on cost
Motor Vehicles	33% on cost
Computer Equipment	33% on cost

The minimum thresholds for capitalisation are:

Land, Buildings and Improvements - £5,000

Plant and Machinery, Motor Vehicles and Computer Equipment - £1,000

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SOFA unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Pension costs and other post retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Tax

The charity is exempt from corporation tax on its charitable activities. It is also relieved from VAT registration on its sale of goods, as all such sales are based on goods freely donated.

Debtors and Creditors

Debtors are measured at the undiscounted amount of cash receivable.

Creditors are measured at the undiscounted amount of cash payable.

Critical accounting estimates and judgements

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

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

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

NewStarts

Notes to the financial statements for the year ended 31 March 2021

2. DONATIONS AND LEGACIES

	Unrestricted 2021 £	Restricted 2021 £	TOTAL 2021 £	Unrestricted 2020 £	Restricted 2020 £	TOTAL 2020 £
Donations	25,329	12,158	37,487	8,786	1,670	10,456
Grants	20,384	418,423	438,807	450	86,050	86,500
	45,713	430,581	476,294	9,236	87,720	96,956

Analysis of Government grants included above:

HMRC CJRS	15,884		15,884	-		-
Awards for All Lottery		10,000	10,000			
Birmingham City Council		10,000	10,000		5,000	5,000
Bromsgrove District Council		48,436	48,436			-
DEFRA		41,000	41,000			
Worcestershire County Council		5,000	5,000			-
	15,884	114,436	130,320	-	5,000	5,000

3. CHARITABLE ACTIVITIES

	Unrestricted 2021 £	Restricted 2021 £	TOTAL 2021 £	Unrestricted 2020 £	Restricted 2020 £	TOTAL 2020 £
Display room income	77,493	-	77,493	150,498	-	150,498
Landfill re-use credits	3,678	-	3,678	7,843	-	7,843
IT income	43,510	-	43,510	33,481	-	33,481
Collection & delivery donations	6,037	-	6,037	8,667	-	8,667
Service level agreements	17,500	-	17,500	17,000	-	17,000
Gift aid tax	350	-	350	218	-	218
	148,568	-	148,568	217,707	-	217,707

NewStarts

Notes to the financial statements for the year ended 31 March 2021

4. RAISING FUNDS

	Basis of Allocation	Unrestricted 2021 £	Restricted 2021 £	TOTAL 2021 £	Unrestricted 2020 £	Restricted 2020 £	TOTAL 2020 £
Staff Costs	Time based	1,746	16,443	18,189	769	7,789	8,558
Overheads	Usage	123	1,161	1,284	110	1,106	1,216
Support costs		<u>1,869</u>	<u>17,604</u>	<u>19,473</u>	<u>879</u>	<u>8,895</u>	<u>9,774</u>

5. CHARITABLE ACTIVITIES

	Note	Basis of Allocation	Total 2021 £	Total 2020 £
Staff costs	9	Time based	197,440	176,188
Premises		Usage	17,974	13,816
Office costs		Usage	10,327	10,356
Repairs and maintenance		Direct	12,441	7,417
Provision of welfare		Direct	172,841	8,549
Motor and travel		Direct	17,596	19,853
Professional & Insurance		Usage	10,967	12,663
Advertising		Direct	1,997	2,177
Waste disposal		Direct	8,269	4,846
Other costs		Direct	1,726	4,780
Bank interest		Usage	18,379	22,532
Depreciation	6	Direct	14,164	13,804
			<u>484,121</u>	<u>296,981</u>
Governance costs	7	Direct	540	4,782
TOTAL EXPENDITURE			<u>484,661</u>	<u>301,763</u>
Unrestricted funds			167,164	245,296
Restricted funds			317,497	56,467
			<u>484,661</u>	<u>301,763</u>

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging

	2021 £	2020 £
Depreciation - owned assets	<u>14,164</u>	<u>13,804</u>

7. FEES FOR EXAMINATION OF THE ACCOUNTS

Independent examination for the year was £540 (2020: £4,782).

8. TRUSTEES' REMUNERATION AND EXPENSES

The trustees neither received nor waived any remuneration during the year (2020: £Nil).

The trustees did not have any personal expenses reimbursed during the year (2020: £Nil)

The trustees have indemnity cover.

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

9. STAFF COSTS AND KEY MANAGEMENT PERSONNEL

	2021	2020
	£	£
Wages and salaries	199,449	171,264
Social security costs	10,748	8,705
Pension costs	5,432	4,777
	<u>215,629</u>	<u>184,746</u>
	2021	2020
	Number	Number
The average number of employees during the year was as follows:		
Chief Executive	1	1
Staff managers	5	4
Operational and administrative staff	5	5
	<u>11</u>	<u>10</u>

No employee received total employee benefits (excluding employer pension costs) of more than £60,000.

The charity operates a defined contribution plan for the benefit of its employees.

During the year the total paid to key management was £56,074 (2020: £48,493)

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

10. TANGIBLE FIXED ASSETS

	Freehold Property £	Improvements to Property £	Plant & Machinery £	Motor Vehicles £	Computer Equipment £	Total £
Cost :						
At 1 April 2020	387,127	13,620	14,124	38,925	4,203	457,999
Additions	-	-	1,079	-	-	1,079
Disposals	-	-	-	-	-	-
At 31 March 2021	387,127	13,620	15,203	38,925	4,203	459,078
Depreciation :						
At 1 April 2020	25,834	13,620	7,894	33,712	4,203	85,263
Charge for the year	5,476	-	3,475	5,213	-	14,164
Disposals	-	-	-	-	-	-
At 31 March 2021	31,310	13,620	11,369	38,925	4,203	99,427
NBV at 31 March 2021	355,817	-	3,834	-	-	359,651
NBV at 31 March 2020	361,293	-	6,230	5,213	-	372,736

Net book value at 31 March 2021 represents fixed assets used for charitable purposes.

11. DEBTORS

	2021 £	2020 £
Trade debtors	2,250	-
Reserve service level agreements	-	2,500
Other debtors	2,876	1,729
Rent deposit	1,875	1,875
Reserve gift aid	550	200
Prepayments	10,040	4,450
	17,591	10,754

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

12. CREDITORS : Amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts (see note 14)	10,682	9,583
Trade creditors	6,323	1,868
Social security and other taxes	8,196	2,622
Other creditors	777	777
Accruals	19,037	8,282
	<u>45,015</u>	<u>23,132</u>

13. CREDITORS : Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans (see note 14)	<u>345,687</u>	<u>352,495</u>

14. BANK LOANS

An analysis of the maturity of the loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>10,682</u>	<u>9,583</u>
Amounts falling due between one and two years:		
Bank loans	<u>114,725</u>	<u>10,204</u>
Amounts falling due between two and five years:		
Bank loans	<u>27,311</u>	<u>129,682</u>
Amounts falling due in more than five years:		
Bank loans	<u>203,651</u>	<u>212,609</u>

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

15. SECURED DEBTS

The following secured debts are included within creditors

	2021	2020
	£	£
Bank loans	<u>356,369</u>	<u>362,078</u>

The Charity Bank Limited hold a charge over the company which covers the freehold property.
Big Issue Invest hold a charge over the company which covers the freehold property.

The Big Issue Invest loans, with carrying values of £109,416 at the year end, were refinanced in September 2021 with a grant award, improved interest rates and the repayment term extended to March 2022.

16. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income/(expenditure) for the year	120,728	3,035
Bank Interest payable	18,908	23,206
Depreciation and impairment of tangible fixed assets	14,164	13,804
(Increase)/decrease in debtors	(6,837)	7,829
Increase/(decrease) in creditors	20,784	(3,880)
	<u>167,747</u>	<u>43,994</u>

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

17. MOVEMENT IN FUNDS

	Balance at 1 April 2019 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted Funds	36,073	226,943	(246,266)	-	16,750	194,281	(169,033)	(771)	41,227
Restricted Funds	34,398	87,720	(65,362)	-	56,756	430,581	(335,101)	771	153,007
Total Funds	70,471	314,663	(311,628)	-	73,506	624,862	(504,134)	-	194,234

18. RESTRICTED FUNDS

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

	Balance at 1 April 2019 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 March 2021 £
Access Reach	8,100	-	(8,100)	-	-	-	-	-	-
Albert Hunt Trust	-	5,000	-	-	5,000	-	(468)	-	4,532
Alfred Haines	-	-	-	-	-	1,000	(238)	-	762
Awards for All	-	-	-	-	-	10,000	-	-	10,000
B&M Food	-	-	-	-	-	1,500	(1,018)	-	482
BARN Lottery	-	-	-	-	-	93,748	(93,748)	-	-
Big Issue	-	-	-	-	-	30,000	(30,000)	-	-
Birmingham City Council	-	5,000	(4,999)	(1)	-	10,000	(7,781)	-	2,219
Bromsgrove District Council	-	-	-	-	-	48,436	(20,436)	-	28,000
Camonets	-	-	-	-	-	3,000	(3,000)	-	-
Charity Aid Foundation	-	-	-	-	-	70,000	(3,780)	-	66,220
Co-operative	-	-	-	-	-	1,803	(1,803)	-	-

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

18. RESTRICTED FUNDS (cont'd)	Balance at 1 April 2019 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 March 2021 £
DEFRA	-	-	-	-	-	41,000	(41,000)	-	-
DMF Ellis	-	-	-	-	-	5,000	(5,000)	-	-
Diamond NM	-	-	-	-	-	1,000	(1,000)	-	-
Didymus	-	4,000	-	-	4,000	-	-	-	4,000
Easter Egg Fund	-	-	-	-	-	593	(593)	-	-
Garfield Weston Foundation	-	15,000	-	-	15,000	-	(15,000)	-	-
George Henry Collins Charity	-	2,000	(1,583)	-	417	-	(417)	-	-
GJW Turner	-	3,000	(3,636)	636	-	-	-	-	-
Grimley Charity	-	1,000	-	-	1,000	-	(1,003)	3	-
Grimmitt Trust	-	-	-	-	-	2,500	(492)	-	2,008
Groundwork UK	-	-	-	-	-	500	(500)	-	-
Heart of England	-	-	-	-	-	22,500	(8,531)	-	13,969
Heart of England DTD	-	-	-	-	-	12,000	(12,000)	-	-
Henry Smith Charity	-	25,000	(23,344)	-	1,656	25,000	(28,059)	1,403	-
Joseph & Henry James Sawyer Charities	-	1,000	(993)	(7)	-	-	-	-	-
IFAN	-	-	-	-	-	100	(100)	-	-
Lasletts	-	3,000	-	-	3,000	-	(66)	-	2,934
Longbridge Going Forward	4,950	(4,950)	-	-	-	-	-	-	-
Lord Austin Trust	-	1,000	(716)	-	284	-	(269)	(15)	-
MIS Computers	-	-	-	-	-	1,000	(1,000)	-	-
Michell Marsh Trust	5,267	-	(5,267)	-	-	-	-	-	-
Peoples' Postcode Lottery	-	20,000	-	-	20,000	-	(17,777)	-	2,223
Roger & Douglas Turner	-	3,000	-	-	3,000	-	(1,868)	-	1,132

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

18. RESTRICTED FUNDS (cont'd)

	Balance at 1 April 2019 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 March 2021 £
Rowlands	3,000		(3,511)	511	-	-	-	-	-
Serco Foundation	-	-	-	-	-	1,000	(1,000)	-	-
Severn Trent Water	-	-	-	-	-	7,000	(5,971)	-	1,029
The February Fund	-	-	-	-	-	5,000	-	-	5,000
The Montal Charitable Trust	-	-	-	-	-	5,000	-	-	5,000
WCC Foodbank	-	-	-	-	-	5,000	(1,999)	-	3,001
William Cadbury Trust	-	2,500	(1,875)	-	625	-	(557)	(68)	-
Woodroffe & Benton	-	500	(555)	55	-	-	-	-	-
Worcestershire Community Fund	-	-	-	-	-	14,508	(14,012)	-	496
WRAP	-	-	-	-	-	8,758	(8,758)	-	-
Other restricted funds	13,081	1,670	(10,783)	(1,194)	2,774	3,635	(5,857)	(552)	-
Restricted Fund Balances	34,398	87,720	(65,362)	-	56,756	430,581	(335,101)	771	153,007

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

18. RESTRICTED FUNDS (cont'd)

Funders in excess of £20,000	Description of Funding
BARN Lottery	Funding for food parcels, fridges and core costs
Big Issue	Funding for staff salary costs
Bromsgrove District Council (BDC)	Funding towards the Community Lunch Project which will enable a community builder to be recruited to support the local community £28,000.
	Foodbank costs £20,436
Charity Aid Foundation	Food Bank costs
DEFRA	Food Bank costs to be expended by 30 June 2021
Heart of England	Funding to support the foodbank and for furniture supplies to families in need
Henry Smith Charity	Funding for staff salary costs
Peoples' Postcode Lottery	Expansion of New Frankley and Covid recovery costs

The following funds also directly related to the operating costs of the Food Bank:

Awards for All	B&M Food	Birmingham City Council	Camonets
Charity Aid Foundation	Diamond NM	MIS Computers	BDC
The Montal Charitable Trust	WCC Foodbank	Worcestershire Community Fund	WRAP

The following funds also directly related to the operating costs of the Volunteer Program:

Albert Hunt Trust	Alfred Haines	DMF Ellis	Didymus
George Henry Collins Charity	GJW Turner	Grimley Charity	
Joseph & Henry James Sawyer Charities		Roger & Douglas Turner	
The February Fund			

Core Costs grants were provided by:

Grimmitt Trust	Groundwork UK	Henry Smith Charity	IFAN
Lasletts	Serco Foundation	Severn Trent Water	
William Cadbury Trust	Woodroffe & Benton		

The following funds supported the costs of the New Frankley expansion:

Garfield Weston Foundation	Lord Austin Trust	Michell Marsh Trust	Rowlands
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The following funders provided support towards business development and IT:

Access Reach	Co-operative (shop)
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NewStarts
Notes to the financial statements
for the year ended 31 March 2021

NEWSTARTS

18. RESTRICTED FUNDS (cont'd)

RETRICTED FUNDS BALANCE SHEET

at 31 March 2021

	2021	2020
	£	£
FIXED ASSETS		
Tangible assets	-	29,840
CURRENT ASSETS		
Debtors	2,000	3,606
Cash at bank and in hand	156,455	23,309
	<u>158,455</u>	<u>26,915</u>
CREDITORS : amounts falling due within one year	<u>(5,448)</u>	<u>-</u>
NET CURRENT ASSETS	<u>153,007</u>	<u>26,915</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>153,007</u>	<u>56,755</u>
CREDITORS : amounts falling due after one year	<u>-</u>	<u>-</u>
	<u>153,007</u>	<u>56,755</u>
FUNDS		
Restricted	<u>153,007</u>	<u>56,756</u>
TOTAL RESTRICTED FUNDS	<u>153,007</u>	<u>56,756</u>

19. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £5,432 (2020: £4,777)

The pension liability and expense are allocated to unrestricted or restricted based upon the role of the employee that the contribution is for.

The outstanding pension contributions at the year end amounted to £777 (2020: £777).

NewStarts
Notes to the financial statements
for the year ended 31 March 2021

20. RELATED PARTIES

There were no related party transactions for the trustees in the year ended 31 March 2021.

The Chief Executive Officer is married to a supplier who provides PAT testing for the charitable company. The amount paid to the supplier during the year was £2,859 (2020: £4,477)

The outstanding to the supplier at the year end amounted to £171 (2020: £489).

21. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees.