

LONDON RECLAIMED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MAY 2023**

CHARITY REGISTRATION No: 1148279

COMPANY REGISTRATION No: 07768745

Independent Examiners Ltd
Unit 2 The Broadbridge Business Centre
Delling Lane
Bosham
PO18 8NF

LONDON RECLAIMED
(A COMPANY LIMITED BY GUARANTEE)

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**LONDON RECLAIMED
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**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2022**

LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NAME	London Reclaimed
OTHER WORKING NAMES	Goldfinch Furniture
CHARITY NUMBER	1148279
COMPANY REGISTRATION NUMBER	07768745
START OF FINANCIAL YEAR	1st June 2022
END OF FINANCIAL YEAR	31st May 2023
DIRECTORS THAT SERVED DURING THE YEAR TO 31 MAY 2023	Ben Dale Tim Powell Louise Sadler (appointed 22 September 2022) Robert Biddulph (resigned 9th February 2023)
COMPANY SECRETARY	Tim Powell (appointed 17 March 2023)
REGISTERED ADDRESS	Lumberjack Café 70 Camberwell Church Street London SE5 8QZ
DATE OF INCORPORATION	1st March 2010
GOVERNING DOCUMENT	Memorandum and Articles Incorporated 9th September 2011 as amended by certificate of Incorporation on change of name dated 13th March 2012 as amended by special resolution registered at Companies House on 19th March 2012 as amended by special resolution registered at Companies House on 23rd July 2012.
OBJECTS	<p>Carried out in accordance with Christian principles of love, acceptance and second chances without distinction of race, sex, political, religious or other opinion as the trustees may from time to time think fit, and are restricted to the following:</p> <p>To act as a resource for young people living in South London and such other parts of London, the United Kingdom or the world by providing advice and assistance and organising programmes of training and other activities as a means of:</p> <p>(i) Advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals; (ii) Relieving unemployment; (iii) Providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.</p>
BANKERS	National Westminster Bank Plc 250 Bishopgate London EC2M 4AA
INDEPENDENT EXAMINERS	Independent Examiners Ltd Unit 2 The Broadbridge Business Centre Delling Lane, Bosham PO18 8NF

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Introduction

The Trustees who are also the Directors have pleasure in submitting the Report and Accounts for the year to 31 May 2023.

Structure, governance and management**Legal Status**

London Reclaimed is a registered charity, number 1148279, and a company limited by guarantee, company registration number 7768745. The company is governed by its memorandum and articles of association.

Decision-making

The Board delegates day-to-day running of the charity to the Chief Executive, Mike Biddulph. Mike meets with members of the trustee board on a quarterly basis, with communication between the trustees, in person and electronically, in between meetings as least monthly.

Relationships

London Reclaimed started a new community interest company We Are Lumberjack C.I.C. on 8th October 2015. The business is a wholly owned subsidiary of London Reclaimed.

Major Risks**Sales.**

We are reliant on sales for a significant portion of our income at both Goldfinch Furniture and Lumberjack Cafe. Any significantly negative deviation from our normal sales pattern could have adverse effects on our ability to carry out our work. To minimise this risk at Goldfinch Furniture, we have started attending trade shows (which were put on hold through Covid restrictions) and are confident that we are developing a pipeline of works that will adequately support us through the next year. At Lumberjack Cafe, we have had some of the best financial years since its inception.

Funding.

As ever, the risk that we do not attract sufficient funding to allow us to holistically wrap around each young person that we engage with is a real, and we actively seek funding to top up what we make through sales as Goldfinch Furniture, the trading name of London Reclaimed, and Lumberjack Cafe.

Premises.

Since the fire which destroyed the back unit of our premises (9th April 2023), we have been looking forward to expanding into the back unit (which we previously sublet to a motorcycle repair company) once our landlord's insurance has made good the structure. The extra space gained will not only enable us to increase our workload, and hopefully profitability, but also set up a dedicated Youth Training Hub to be able to engage with more young people. We will have to use this space to create more profit, as we will be taking on this portion of the rent, but look to develop evening classes for the community to maximise its usage.

The refurbishment of the building post fire is about to commence, and will cause disruption for 16 weeks. We hope to minimise this with well managed relationships between us and the contractors employed by our landlords, but there will still be times when work that needs to be done by them will impact on us and our timelines. It is a concern, but one that we hope to work through.

Objectives and activities of the charity**Formal Objects as set out in Memorandum & Articles of Association**

Carried out in accordance with Christian principles of love, acceptance and second chances without distinction of race, sex, political, religious or other opinion as the trustees may from time to time think fit, and are restricted to the following:

- To act as a resource for young people living in South London and such other parts of London, the United Kingdom or the world providing advice and assistance and organising programmes of training and other activities as a means of:
 - (i) advancing in life and helping young people by developing their skills, capacities to enable them to participate in society as independent, mature and responsible individuals;
 - (ii) relieving unemployment;
 - (iii) providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.

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Achievements and performance

The charity was unfortunate to experience a workshop fire in April 2023 which destroyed the back unit of the premises. An independent fire investigation found the incident to be a no fault claim, and our landlords insurance are making good the structure. In spite of our most challenging period we have faced since our inception, between March 2022 and September 2023, we have continued to employ, mentor and train local young people, and actually push forward in the programmes we offer, and the employment structures that we provide local 16-25 year olds. We 'slimmed down' the number of young people we employed in this financial period (June 2022 - May 2023) to 11, but in the 12 months that followed, we employed 27 - once we began to find our feet again.

Our ability to fulfil our core mission was temporarily restricted by a culmination of drivers; firstly we had decided that we wanted to offer fitted furniture and kitchens, alongside our mainstay of freestanding furniture. We made this decision due to the increased opportunities for our young people within this field, and the increased job opportunities for them on leaving us. There was also an opportunity to increase our turnover through sales by engaging with this work, which obviously feeds into our core mission; to employ, mentor and train local young people who may otherwise struggle to step up into work. This was a much steeper learning curve than we realised! We undertook several large contracts simultaneously that cost us more to fulfil than we were expecting, due to our inexperience in this field. Through this learning process we have developed and grown our Goldfinch team, with new members who have the relevant designing and making experience, as well as developing our quoting and project management processes, in order to more accurately schedule and quote these jobs.

Since this steep learning curve, we have established ourselves as a trusted, high-end kitchen and fitted furniture specialist, successfully completing many projects with the required margins, and have also displayed at two of the UK's premier home shows with great success. This has opened up a variety of new opportunities for our young people that were previously unavailable, both whilst with us, and on leaving their year with us.

Secondly, we have expanded our reach by opening a satellite workshop in Bristol, which took a considerable amount of effort and money to launch, and thirdly our Easter day fire (9 April 2023) which completely decimated half our London premises, disrupted our furniture output for 3 months and caused us to incur costs outside the scope of our insurance.

During this year, our most recent addition to the trustee board, Louise, has helped the team develop a 'Risk Matrix' in order to improve the governance and oversight of the charity. The matrix is a live document that details our charitable aims, and then, through a series of discussions with the team, outlines the risks to us achieving each of those aims. As a team of trustees and senior staff we have then been able to work out the mitigation, process and policies related to each of the risks. Going forward this document is reviewed and updated every six months, and provides both staff and board members with a focal point for determining where risks to fulfilling our charitable aims may be developing, and where more focussed attention and resource may be needed.

We have also been working hard to boost our panel of charity and enterprise advisors. We have engaged with five individuals who have extensive experience in the fields of business and social entrepreneurship. They have offered much-needed operational and governance advice, and provided beneficial thoughts and knowledge on financial modelling and controls. acted as a sounding board, helping us navigate this year's choppy waters and supporting us as we stabilise, grow and scale.

We are proud to say that we pushed forward with putting our young people first, and as such were delighted to see the development of our youth work with the employment of a Head of Youth Work, China, in August 2022. She has solidified what we have been doing for over a decade, both in terms of how our two enterprises work with our young people, but also she has developed a framework of soft skills and personal development that is tailored to each young person. Currently 93% of our young people leave us and successfully move into other employment or education.

Here are two examples of the transformation in our young people's lives (names changed):

Steve's progression through our course, and on to a Young People support role

In 2022 we met Steve. He got in touch with us through our Youth Project Manager after successfully finishing college, but finding it impossible to get his first paid job as a furniture maker. He is profoundly deaf, and after applying for countless jobs in countless workshops found that nobody was willing to give him a chance.

He was a very different prospect to our usual young people, in that he had training that needed polishing. Most of our young people have never held a saw before, and therefore start at a much lower level.

Steve is pretty much non-verbal and usually communicates with sign language. He can also lip read. The team of existing makers have been more than happy to learn the very basics, but for most of our communication we are using speech to text apps, which work amazingly well.

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Our usual youth offering lasts for a year, during which we help our young people find the right career and help to get them started in it. However, we are able to tailor our programme to the individual, and with Steve we have decided to keep him on as a junior furniture maker. In this role, he will be able to do all the preparation work we need done for our young people to have projects to work on. This work is difficult to schedule our skilled furniture makers onto without it impacting our potential profits. With Steve doing this work, our furniture makers are freed up to work on profitable jobs and Steve will be getting the machining practice he needs to progress.

John's journey to educational attainment

John's home life was complicated, and his school attendance patchy, but his magnetic lovable character shone through in spite of the large challenges he faced. Although he has a very sharp mind and love of learning new things, he found formal education a real challenge. He felt misunderstood and overlooked, and this coupled with the main emotion he could exhibit being anger, meant that school and college became very difficult to complete.

He joined our youth employment programme when he was 20 years old, after a particularly difficult time at home culminating in police intervention.

To find the right space for John, we spread his time between Goldfinch Furniture and Lumberjack Cafe.

With our help, he is now enrolled in one of the best joinery schools in London, having received a near full bursary through the efforts of our Youth Employment Manager.

While he still struggles with the learning environment, we are maintaining a dialogue with his course tutors, and have been offering space and extra time to him to keep him on track. We are confident that with the hard work he's been putting in, he will achieve the required grades.

Financial Review

Sales income has again increased from the previous year, but due to the difficult and unprecedented year we faced, our income, through sales, donations and grants did not cover our yearly expenditure. One of the major factors to our increased expenditure this financial year was our staff costs. This increased for two reasons. The first was the need for some short term furniture makers, so that we could meet our contractual obligations. The second was additional long term staff, to aid us in better project and financial planning to ensure we are now working with realistic forecasting and have a solid base from which to increase our sales, using all of the experience we have gained. We are currently seeing this increase actualise due to this new approach. This coincided with the official launch of Goldfinch Kitchens in spring 2024 which was highlighted in our newly revamped website.

In this year, we had to lean on our intercompany loan between London Reclaimed and our trading arm We Are Lumberjack CIC, as well as a substantial loan from the MBL Trust (£120,000 at 0% for 5 years paid back monthly), and two personal loans.

The deficit for the year was £237,160, compared to a deficit of £22,234 in 2022. Of this deficit £6,050 can be attributed to depreciation of fixed assets (2022: £5,872). Although we have survived this year, and are now on a much more positive footing, there are long reaching implications of the difficult season we have now passed through. The steep learning curve into setting up Goldfinch Kitchens, the setting up of our second workshop site and the devastating effects of the workshop fire have all come at a cost. We are confident that with our new systems and more experienced team that are now in place, we will continue to reduce this deficit.

Reserves as represented by net current assets at 31st May 2023 were: (91,380)

Reserves Policy

The reserves policy is to hold three month's average expenditure in cash. We are currently building this back up after this incredibly tricky season.

Plans for future periods

1. Provide our first ever dedicated space for training and support.

To keep our project in Bermondsey, we have, for many years, sublet the back unit of our workshop space. On Easter Sunday 2023, a fire destroyed the inside of that unit. Though the structure of the building will be restored, the business that has been renting it will need to move on as the restoration may take several months. We intend to seize this opportunity to develop this space into a youth training hub, providing our first dedicated training space rather than 'in placement on the job training' only.

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2. Increase value and reach of our training offering to better equip our young people.

We acknowledge our position in our communities, and the value we bring to those we work with. To make sure we continue to be relevant and improve our offering, we regularly seek feedback from our young people, staff and community. We commissioned an independent charity audit in 2019/20 which recommended bolstering our youth provision team. As a result, we have recently employed China, our Youth Employment Manager, and senior Youth Worker who oversees the holistic support of the young people and developing the training we provide and we are looking to increase this support further. To increase our reach, we will launch an 'Access to Employment' course that we will manage and deliver locally.

3. The launching of new enterprises and sustainable growth of our charity.

We love launching new ventures and have a proven track record with things we launch becoming self-sufficient. The wider the breadth of our enterprises, both geographically and business type, the more young people we can employ. We do not have a scattergun approach, but also know that one size does not fit all.

4. Invest in our structures to enable growth towards multiplication.

We've recognised there is a ceiling to what we can achieve with our current setup, and the limitations in the skillset and time of our core leadership team. We have been incredibly resourceful, entrepreneurial and aspirational, and want to continue to be, so the learning over the last 10 years can enable us to shift into a model that is replicated and rolled out more widely.

Now is a moment of step change and so we hope to employ a full time Business and Charity Development Manager to help take us to the next level.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 and the income and expenditure of the charitable company for that period.

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

- 1 Select suitable accounting policies and apply them consistently.
- 2 Observe the methods and principles in the Charities SORP
- 3 Make judgements and estimates that are reasonable and prudent
- 4 State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- 5 Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors 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 charitable 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.

As far as the directors are aware:


- There is no relevant accounting information of which the charitable company's Independent Examiner is unaware;
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant accounting information and to establish that the Independent Examiner is aware of that information.

The directors are also responsible for the contents of the directors' report, and the responsibility of the independent examiner in relation to the directors' report is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

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

Approval

This report was approved by the directors on 29th MAY 2024 and signed on their behalf by:



Print Name: TIM POWELL

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MAY 2023

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2022/23 £	TOTAL 2021/22 £
Income						
Donations and legacies	2a	110,895	-	-	110,895	84,555
Investment Income	2b	-	-	-	-	4
Income from charitable activities	2c	350,115	-	-	350,115	327,275
Income from trading activities	2d	-	-	-	-	-
Other Income	2d	38,500	-	-	38,500	38,503
Total income		<u>499,510</u>	<u>-</u>	<u>-</u>	<u>499,510</u>	<u>450,337</u>
Expenditure						
Expenditure on charitable activities	3a	467,242	-	-	467,242	308,823
Expenditure on raising funds	3b	269,428	-	-	269,428	163,748
Total Expenditure		<u>736,670</u>	<u>-</u>	<u>-</u>	<u>736,670</u>	<u>472,571</u>
Net income/expenditure before investment gains/(losses)		(237,160)	-	-	(237,160)	(22,234)
Net gains/(losses) on investments		-	-	-	-	-
Net income/(expenditure)		(237,160)	-	-	(237,160)	(22,234)
Transfers between funds	9	-	-	-	-	-
Net movement in funds		<u>(237,160)</u>	<u>-</u>	<u>-</u>	<u>(237,160)</u>	<u>(22,234)</u>
Reconciliation of funds:						
Total Funds Brought Forward		26,068	-	-	26,068	48,302
Total Funds Carried Forward		<u>(211,092)</u>	<u>-</u>	<u>-</u>	<u>(211,092)</u>	<u>26,068</u>

Movements on all reserves and all recognised gains and losses are shown above. All of the organisation's operations are classed as continuing.

The notes on pages 9 to 16 form part of these financial statements.

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Reg. company no. 07768745

BALANCE SHEET
AS AT 31 MAY 2023

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31-May-23 Total £	31-May-22 Total £
Fixed Assets:						
Tangible assets	4	48,477	-	-	48,477	51,359
Current Assets:						
Debtors	5	40,975	-	-	40,975	28,585
Cash at bank and in hand	6	3,261	-	-	3,261	44,640
Total Current Assets		44,236	-	-	44,236	73,225
Creditors: amounts falling due within one year	7	(135,616)	-	-	(135,616)	(56,608)
NET CURRENT ASSETS/(LIABILITIES)		(91,380)	-	-	(91,380)	16,617
TOTAL ASSETS less current liabilities		(42,903)	-	-	(42,903)	67,976
Creditors: amounts falling due in more than one year	8	(168,189)	-	-	(168,189)	(41,908)
NET ASSETS/(LIABILITIES)		(211,092)	-	-	(211,092)	26,068
Funds of the Charity						
General Funds		(211,092)	-	-	(211,092)	26,068
Designated Funds	9	-	-	-	-	-
Restricted Funds	10	-	-	-	-	-
Total Funds		(211,092)	-	-	(211,092)	26,068

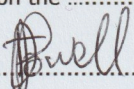
For the year ended 31st May 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

Approved by the Directors on the 29.05.24

Signed on their behalf by 

Print Name: TIM POWELL

LONDON RECLAIMED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

1. Accounting policies

a) Basis of preparation

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

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Charities Act 2011.

Advantage has been taken of Section 396(5) of The Companies Act 2006 to allow the format of the financial statements to be adapted to reflect the special nature of the charity's operation and in order to comply with the requirements of the SORP.

London Reclaimed meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

The charity has opted to prepare its accounts using natural categories.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period.

Material prior period errors and changes to previous accounts

No material prior period errors have been identified in this accounting period

The allocation between short term loan creditor and long term loan creditor for the NatWest loan has been restated this year, to provide meaningful comparatives. Last year the loan was shown wholly within long term loan creditor. There is no effect on the overall balance sheet.

There have been no other changes to previous accounts.

Preparation of accounts on a going concern basis

Preparation of the accounts is on a going concern basis. The Trustees are of the view that the level of reserves will support the charity going forward. The balance sheet shows a deficit position, mainly due to an extraordinary event that occurred during the year, however the Trustees have made key strategic decisions to address the deficit. The Trustees Annual Report gives further detail.

Trading subsidiary

The charity has a trading subsidiary, We are Lumberjack CIC. The income of the group does not exceed the threshold of £1million and therefore there is no requirement to prepare group accounts.

We are Lumberjack CIC files separate accounts with Companies House, and a summary is provided in the Appendix on page 18.

b) Income

Income is included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the income;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

The charity has relied upon volunteers in carrying out its charitable activities during the year. In accordance with paragraph 6.18 of the SORP, the role of volunteers has not been recognised in the accounts.

c) Interest receivable

Interest on funds held on deposit is included when receipt is probable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

d) Grants and Donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102)

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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023**

e) Tax Reclaims on Donations and Gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

f) Government Grants

The charity has not received any government grants in this reporting period.

g) Fund accounting

Unrestricted funds are available to spend on activities that further any purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

h) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 resources. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

i) Offsetting

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

j) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Assets costing less than £500 are written off in the year of purchase. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows:

Office Equipment	10%
Fixtures and Fittings	10%
General Equipment	10%

k) Operating leases

Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

l) Taxation

The charity is exempt from tax on its charitable activities.

m) Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

n) Redundancy payments

The charity made no redundancy payments during the period.

o) Pensions

The charity operates a defined contribution pension scheme for certain employees. Pension contributions are charged to the Statement of Financial Activities as they fall due for payment.

p) Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

q) Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023

2. INCOME	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2022/23 £	TOTAL 2021/22 £
a) Donations and legacies					
Gifts, tithes & donations	10,967	-	-	10,967	14,555
Grant income	99,928	-	-	99,928	70,000
	<u>110,895</u>	<u>-</u>	<u>-</u>	<u>110,895</u>	<u>84,555</u>
b) Investment income					
Bank Interest	-	-	-	-	4
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
c) Income from charitable activities					
Grant income - HMRC job retention scheme	-	-	-	-	2,026
Intercompany Recharge from trading subsidiary	-	-	-	-	6,107
Primary Purpose Generated Sales	350,115	-	-	350,115	319,142
	<u>350,115</u>	<u>-</u>	<u>-</u>	<u>350,115</u>	<u>327,275</u>
d) Income from trading activities					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
e) Other Income					
Rental Income	38,500	-	-	38,500	38,503
	<u>38,500</u>	<u>-</u>	<u>-</u>	<u>38,500</u>	<u>38,503</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023

3. EXPENDITURE

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2022/23 £	TOTAL 2021/22 £
a) Expenditure on charitable activities						
<u>Direct charitable costs</u>						
Advertising & Marketing		1,379	-	-	1,379	16,579
Bank, Card & Interest Charges		1,267	-	-	1,267	1,783
Cleaning Costs		2,235	-	-	2,235	1,571
Consulting Fees		5,010	-	-	5,010	1,489
Depreciation Expense		6,050	-	-	6,050	5,872
Entertainment		2,278	-	-	2,278	1,593
Gifts & Donations		250	-	-	250	-
IT Costs		4,087	-	-	4,087	6,545
Licences and Subscriptions		1,027	-	-	1,027	795
Loan Interest		983	-	-	983	782
Office Costs		651	-	-	651	74
Printing, Postage and Stationery		5,459	-	-	5,459	2,061
Recruitment		625	-	-	625	-
Rent and Rates		68,819	-	-	68,819	79,444
Repairs & Maintenance		4,841	-	-	4,841	1,630
Staff Wages and Salaries	11	306,850	-	-	306,850	154,764
Sub-Contractors		19,578	-	-	19,578	9,336
Sundry Expenses		1,345	-	-	1,345	2,379
Telephone Costs		1,317	-	-	1,317	1,609
Training Costs		1,405	-	-	1,405	1,638
Travel & Subsistence		21,820	-	-	21,820	9,357
<u>Governance and Support costs</u>						
Independent Examiners Fees	a) i)	1,620	-	-	1,620	2,040
Insurance Costs	a) i)	5,556	-	-	5,556	4,692
Legal & Professional Fees	a) i)	2,790	-	-	2,790	2,790
		<u>467,242</u>	<u>-</u>	<u>-</u>	<u>467,242</u>	<u>308,823</u>

b) Expenditure on raising funds

Cost of Direct Materials	170,570	-	-	170,570	113,791
Cost of Direct Labour	98,858	-	-	98,858	49,957
	<u>269,428</u>	<u>-</u>	<u>-</u>	<u>269,428</u>	<u>163,748</u>

a) i) Analysis of governance and support costs	2022/23 £	2021/22 £
Independent Examiner's Fees	1,620	2,040
Accountancy and Bookkeeping	2,790	2,790
Insurance Costs	5,556	4,692
	<u>9,966</u>	<u>9,522</u>

LONDON RECLAIMED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023

4. TANGIBLE FIXED ASSETS

		Office Equipment £	Fixtures & Fittings £	General Equipment £	Total £
Cost	01-Jun-22	2,088	70,533	6,609	79,230
Additions		789	-	3,073	3,862
Disposals		-	(694)	-	(694)
Cost at	31-May-23	<u>2,877</u>	<u>69,839</u>	<u>9,682</u>	<u>82,398</u>
Depreciation	01-Jun-22	166	26,520	1,185	27,871
Charge		585	4,845	759	6,189
Disposals		-	(139)	-	(139)
Depreciation at	31-May-23	<u>751</u>	<u>31,226</u>	<u>1,944</u>	<u>33,921</u>
Net Book Value	31-May-23	<u>2,126</u>	<u>38,613</u>	<u>7,738</u>	<u>48,477</u>
Net Book Value	31-May-22	<u>1,922</u>	<u>44,013</u>	<u>5,424</u>	<u>51,359</u>

Operating leases and capital commitments:

There are no capital commitments ending over 12 months after the balance sheet date.

5. DEBTORS AND PREPAYMENTS

	Unrestricted Fund £	Restricted Fund £	Total 31-May-23 £	Total 31-May-22 £
Accounts Receivable	39,975	-	39,975	27,385
Wages Overpaid	1,000	-	1,000	1,200
	<u>40,975</u>	<u>-</u>	<u>40,975</u>	<u>28,585</u>

6. CASH AT BANK AND IN HAND

	Unrestricted Fund £	Restricted Fund £	Total 31-May-23 £	Total 31-May-22 £
NatWest Savings Account Account	-	-	-	3
NatWest Current Account	2,898	-	2,898	44,437
Petty Cash	363	-	363	200
	<u>3,261</u>	<u>-</u>	<u>3,261</u>	<u>44,640</u>

7. CREDITORS AND ACCRUALS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Fund £	Restricted Fund £	Total 31-May-23 £	Restated Total 31-May-22 £
Sundry Creditors	12,540	-	12,540	11,718
VAT Payable *	20,894	-	20,894	24,566
PAYE & NI *	77,538	-	77,538	18,278
Pension Payable	1,581	-	1,581	666
Nat West Bank Plc Loan	2,701	-	2,701	7,018
Loan with Lumberjack Café	14,400	-	14,400	-
Independent Examiners Fee	3,000	-	3,000	1,380
Salaries and Wages Payable	2,962	-	2,962	-
	<u>135,616</u>	<u>-</u>	<u>135,616</u>	<u>63,626</u>

* The charity has agreed a repayment plan with HMRC, and currently pays £2,500 per month.

**LONDON RECLAIMED
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023**

8. CREDITORS AND ACCRUALS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Unrestricted Fund £	Restricted Fund £	Total 31-May-23 £	Restated Total 31-May-22 £
Nat West Bank Plc Loan	32,189	-	32,189	34,890
Private Loans from Individuals	20,000	-	20,000	-
Private Loan from Charitable Trust	116,000	-	116,000	-
	<u>168,189</u>	<u>-</u>	<u>168,189</u>	<u>34,890</u>

The above Nat West Bank Plc loan represents a bounce back loan given during the coronavirus outbreak initially with a 5 year repayment period. This has been extended to a maximum of a 10 year repayment period. It is currently being repaid at a monthly amount of £446.12.

The above private loans from individuals were given by related parties, interest free with no repayment terms to assist with cash flow. More detail is given in Note 12.

The above private loan from the Michael and Betty Little Trust is given interest free for a period of 5 years, with monthly repayments of £2,200. The first repayment was paid in April 2023.

9. DESIGNATED FUNDS

The charity did not hold any designated funds during this or the previous financial year.

10. RESTRICTED FUNDS

The restricted funds are only spent on specific purposes.

The charity did not hold any restricted funds during this or the previous financial year.

LONDON RECLAIMED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023

11. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2022/23	2021/22
	£	£
Gross Wages and Salaries	282,102	144,439
Employer's National Insurance Costs (net of annual allowance)	19,021	7,678
Employer's Pension Costs	5,727	2,647
	306,850	154,764

The monthly average of employed staff was 11.33 (2021/22: 8.25). Staff are employed to carry out the charitable activities.

No employees received emoluments in excess of £60,000 (2021/22: nil). The above staff are paid through the PAYE system.

Up to 12 self employed personnel rendered services to the charity during 2022/23. The total amount paid for direct labour was £98,858 (2021/22: £49,957).

The key management personnel of the charity comprise the Trustees and CEO. No Trustees received remuneration. Therefore the total employee benefits (including employer national insurance and employer pension contributions and self employed personnel) of the key management personnel of the charity were £46,877 (2021/22: £43,443).

The charity offers a workplace pension scheme and enrolled all eligible employees. Employer contributions have been budgeted for and £4,863 of contributions were paid on behalf of (up to) 9 employees during 2022/23 in accordance with legislation. Employer pension contributions totalling £864 were also paid into a personal pension on behalf of one employee that opted out of the workplace scheme.

12. TRUSTEES AND OTHER RELATED PARTIES

	2022/23	2021/22
<u>Payments to Trustees</u>		
None paid	£ -	£ -

Payments to Related Parties

T. Biddulph (related party of Trustee R. Biddulph)	Direct Labour payments	£ -	£ 200
M. Biddulph (related party to Trustee R. Biddulph)	Gross salary payments	£ 46,013	£ 38,436
M. Biddulph (related party to Trustee R. Biddulph)	Employer national insurance paid on behalf of	£ 5,284	£ 4,143
M. Biddulph (related party to Trustee R. Biddulph)	Employer pension contributions paid on behalf of	£ 864	£ 864

The connected trustee has no role in determining appointment, salaries or benefits. Note T Biddulph resigned as a Trustee on 9th February 2023.

No other payments were made to trustees or any persons connected with them during this financial period other than the reimbursement of sundry direct expenses incurred and reimbursement of expenditure incurred on behalf of the charity. No material transaction took place between the organisation and a trustee or any person connected with them.

Aggregate donations in the year without conditions from trustees and key management personnel totalled £0.

Loans from Related Parties

		2022/23	2021/22
M Biddulph (Related Party/Close Family of Trustee R. Biddulph)	Loan given to assist cashflow	£ 10,000	£ -
E Biddulph (Related Party/Close Family of Trustee R. Biddulph)	Loan given to assist cashflow	£ 10,000	£ -

The above loans were given interest free and without repayment terms.

**LONDON RECLAIMED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023**

12. TRUSTEES AND OTHER RELATED PARTIES

On 8th October 2015 We are Lumberjack CIC was incorporated as a Community Interest Company, limited by guarantee. London Reclaimed is specified as a potential recipient of the Company's assets under articles 3.2 and 3.4 of the We Are Lumberjack CIC Articles of Association. Trustee T Powell is also a Director of We are Lumberjack CIC and together with the CEO of London Reclaimed they have overall control and oversight of We Are Lumberjack CIC.

We Are Lumberjack CIC files separate accounts, and a summary is provided in the Appendix on page 18.

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out on an annual basis will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

14. RESERVES POLICY

The trustees have considered the level of reserves they wish to retain, appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments held. The trustees aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The trustees will endeavour not to set aside funds unnecessarily. The general reserves policy is found on page 6 of these financial statements.

15. PUBLIC BENEFIT

The charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the charity has achieved this are provided in the Trustees report. The trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

16. RELATIONSHIPS

London Reclaimed started a new community interest company We Are Lumberjack C.I.C. (Company Number 09816432) on 8th October 2015. The business is a wholly owned subsidiary of London Reclaimed.

LONDON RECLAIMED
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STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MAY 2023

	31-May-23 £	31-May-22 £
Cash used in operating activities	(a) <u>(185,229)</u>	<u>(20,663)</u>
Cash used from investing activities		
Interest income	-	(4)
Purchase of tangible fixed assets	(3,168)	(2,808)
Cash provided by (used in) investing activities	<u>(3,168)</u>	<u>(2,812)</u>
Cash flows from financing activities		
Introduction/(Repayment) of long term borrowing	147,018	8,092
Cash used in financing activities	<u>147,018</u>	<u>8,092</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>(41,379)</u>	<u>(15,383)</u>
Cash and cash equivalents at the start of the year	44,640	60,023
TOTAL cash and cash equivalents at the end of the year	(b) <u>3,261</u>	<u>44,640</u>

(a) Reconciliation of net movement in funds to net cash flow from operating activities

	31-May-23 £	31-May-22 £
Net movement in funds	(237,160)	(22,234)
Add back depreciation charge	6,050	5,872
Deduct interest income shown in investing activities	-	(4)
Decrease/(increase) in debtors	(12,390)	(4,892)
Increase/(decrease) in creditors	58,271	595
Net cash used in operating activities	<u>(185,229)</u>	<u>(20,663)</u>

(b) Analysis of cash and cash equivalents

	31-May-23 £	31-May-22 £
Cash at bank and in hand	3,261	44,640
Total cash and cash equivalents	<u>3,261</u>	<u>44,640</u>

**LONDON RECLAIMED
(A COMPANY LIMITED BY GUARANTEE)**

**APPENDIX 1
ACCOUNTS OF WE ARE LUMBERJACK CIC**

This appendix does not form part of the independent examination.

As explained in note 12, We Are Lumberjack CIC is a separate company, limited by guarantee, and files separate accounts with Companies House. However, as a Trustee and the CEO of London Reclaimed are also Directors of We Are Lumberjack CIC and therefore have overall control and oversight, a summary of the We Are Lumberjack balance sheet is shown in this appendix.

Balance sheet at 31st March 2023

	31-Mar-23	31-Mar-22
	£	£
Fixed Assets	28,622	38,889
Current Assets	35,749	43,856
Creditors due within 1 year	(22,125)	(19,073)
Accruals and Deferred Income	(5,281)	-
Net assets	<u>36,965</u>	<u>63,672</u>

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

I report to the trustees on my examination of the accounts of London Reclaimed for the year ended 31st May 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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 Association of Charity Independent Examiners, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

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

The Examiner would like to draw attention the following matters:

The negative balance sheet position. The Trustees have made key strategic decisions during the year to address this. The Trustees Annual Report gives further detail.

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

Signed:  FCIE

Date: 31st May 2024

Independent Examiners Ltd
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