

SHINE@NechellsPOD

Annual Report and Financial Statements
for the Year Ended 31 August 2020

SHINE@NechellsPOD

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SHINE@NechellsPOD

Reference and Administrative Details

Trustees

P Freeman
S Tesfamichael
R Walker
D Hughes
S Todd
N Plummer
N A Flynn
S Cross

Principal Office

The POD
28 Oliver Street
Birmingham
West Midlands
B7 4NX

Charity Registration Number

1162038

Accountants

Bissell & Brown Limited
Chartered Accountants
Charter House
56 High Street
Sutton Coldfield
West Midlands
B72 1UJ

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2020.

Trustees

P Freeman

S Tesfamicael

R Walker

D Hughes

S Todd

N Plummer

N A Flynn (appointed 29 January 2020)

S Cross (appointed 29 January 2020)

Objectives and activities

Objects and aims

The objects of the Charity include:

To develop the capacity and skills of the members of the socially and economically disadvantaged community of Nechells in such a way that they are better able to identify and help meet their needs and participate more fully in society.

To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society. For the purposes of this object 'socially excluded' means being excluded from society, or parts of society, as a result of one or more of the following – youth, age, disability, financial hardship, ill health, unemployment, substance abuse, discrimination on the grounds of ethnicity, gender, sexual orientation, religion or poor educational or skills attainment.

To advance education, training and development in such ways as the trustees think fit.

Public benefit

The activities undertaken to further public benefit is stated in the objectives and activities above.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Structure, governance and management

Nature of governing document

The governing document covering the charity is CIO - Foundation Registered dated 5th June 2015.

Recruitment and appointment of trustees

Existing trustees and employees can propose the recruitment and appointment of new trustees which would be put to a meeting of the existing trustees and senior employees.

Organisational structure

The charity is an incorporated charitable organisation.

Trustees' Report

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 4 November 2020 and signed on its behalf by:



P Freeman

Trustee



N A Flynn

Trustee

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

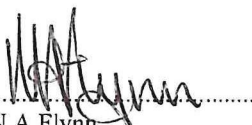
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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 the trustees of the charity on 4 November 2020 and signed on its behalf by:



.....
P Freeman
Trustee



.....
N A Flynn
Trustee

SHINE@NechellsPOD

Independent Examiner's Report to the trustees of SHINE@NechellsPOD

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2020 which are set out on pages 6 to 14.

Respective responsibilities of trustees and examiner

As the charity's trustees of SHINE@NechellsPOD you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the SHINE@NechellsPOD's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of SHINE@NechellsPOD as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



John James Taheny (Independent Examiner)
Bissell & Brown Limited
Chartered Accountants
ICAEW

Charter House
56 High Street
Sutton Coldfield
West Midlands
B72 1UJ

4 November 2020

Statement of Financial Activities for the Year Ended 31 August 2020

	Note	Unrestricted £	Restricted £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	31,276	147,679	178,955
Other income	3	-	53,900	53,900
Total income		31,276	201,579	232,855
Expenditure on:				
Charitable activities	5	(31,276)	(129,209)	(160,485)
Total expenditure		(31,276)	(129,209)	(160,485)
Net income		-	72,370	72,370
Net movement in funds		-	72,370	72,370
Reconciliation of funds				
Total funds brought forward		-	25,645	25,645
Total funds carried forward	12	-	98,015	98,015
	Note	Unrestricted £	Restricted £	Total 2019 £
Income and Endowments from:				
Donations and legacies	2	717	63,623	64,340
Other income	3	-	62,090	62,090
Total income		717	125,713	126,430
Expenditure on:				
Charitable activities	5	(717)	(136,584)	(137,301)
Total expenditure		(717)	(136,584)	(137,301)
Net movement in funds		-	(10,871)	(10,871)
Reconciliation of funds				
Total funds brought forward		-	36,516	36,516
Total funds carried forward	12	-	25,645	25,645

All of the charity's activities derive from continuing operations during the above two periods.


The funds breakdown for 2020 and 2019 is shown in note 12.

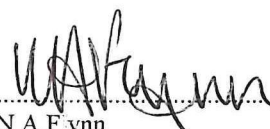
SHINE@NechellsPOD

**(Registration number: 1162038)
Balance Sheet as at 31 August 2020**

	Note	2020 £	2019 £
Current assets			
Debtors	9	1,080	2,400
Cash at bank and in hand	10	<u>115,158</u>	<u>71,644</u>
		116,238	74,044
Creditors: Amounts falling due within one year	11	<u>(18,223)</u>	<u>(48,399)</u>
Net assets		<u>98,015</u>	<u>25,645</u>
Funds of the charity:			
Total funds	12	<u>98,015</u>	<u>25,645</u>

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on 4 November 2020 and signed on their behalf by:


.....
P Freeman
Trustee


.....
N A Fynn
Trustee

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

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

The financial statements are prepared in GBP Sterling, and rounded to the nearest pound.

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Notes to the Financial Statements for the Year Ended 31 August 2020

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Notes to the Financial Statements for the Year Ended 31 August 2020

Financial instruments**Classification**

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and legacies;				
Donations	31,276	145,429	176,705	64,340
Grants, including capital grants;				
Grants from companies	-	2,250	2,250	-
	<u>31,276</u>	<u>147,679</u>	<u>178,955</u>	<u>64,340</u>

3 Other income

	Restricted funds £	Total 2020 £	Total 2019 £
Payroll recharges from Nechells POD CIC	<u>53,900</u>	<u>53,900</u>	<u>62,090</u>

Income from Nechells POD CIC was to cover the payroll charges included within the financial statements.

Notes to the Financial Statements for the Year Ended 31 August 2020

4 Expenditure on charitable activities

	Note	Unrestricted funds Other £	Restricted funds £	Total 2020 £	Total 2019 £
		-	12,546	12,546	11,448
Governance costs		31,276	116,663	147,939	125,853
		<u>31,276</u>	<u>129,209</u>	<u>160,485</u>	<u>137,301</u>

5 Analysis of governance and support costs

Governance costs

	Restricted funds £	Total 2020 £	Total 2019 £
Staff costs			
Wages and salaries	91,573	91,573	86,857
Social security costs	7,115	7,115	5,260
Pension costs	881	881	313
Other staff costs	630	630	198
Accountancy			
Accountancy fees	2,298	2,298	2,065
Professional fees	1,468	1,468	4,169
Community services	12,546	12,546	11,448
Allocated support costs	12,698	12,698	26,274
	<u>129,209</u>	<u>129,209</u>	<u>136,584</u>

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

7 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	91,573	86,857
Social security costs	7,115	5,260
Pension costs	881	313
Other staff costs	630	198
	<u>100,199</u>	<u>92,628</u>

Notes to the Financial Statements for the Year Ended 31 August 2020

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Management and administration	<u>6</u>	<u>6</u>

No individual employee received emoluments of more than £60,000 during the year.

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

9 Debtors

	2020 £	2019 £
Trade debtors	-	2,400
Prepayments	<u>1,080</u>	<u>-</u>
	<u>1,080</u>	<u>2,400</u>

10 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>115,158</u>	<u>71,644</u>

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	12,793	35,969
Other creditors	2,610	9,610
Accruals	<u>2,820</u>	<u>2,820</u>
	<u>18,223</u>	<u>48,399</u>

SHINE@NechellsPOD

Notes to the Financial Statements for the Year Ended 31 August 2020

12 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Balance at 31 August 2020 £
<i>General</i>				
Donations and grants	-	31,276	(31,276)	-
Restricted funds				
All Of Us	4,431	71,022	(53,360)	22,093
POD sustainability	16,968	58,436	(35,937)	39,467
Henry Smith Charity	4,246	34,750	(22,953)	16,043
Happy Healthy Holidays	-	-	(63)	(63)
NNS	-	19,861	(16,464)	3,397
Talking Tots	-	2,250	(432)	1,818
Doing Things Differently	-	15,260	-	15,260
Total restricted funds	<u>25,645</u>	<u>201,579</u>	<u>(129,209)</u>	<u>98,015</u>
Total funds	<u>25,645</u>	<u>232,855</u>	<u>(160,485)</u>	<u>98,015</u>
	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Balance at 31 August 2019 £
<i>Unrestricted general funds</i>				
Donations and grants	-	717	(717)	-
Restricted funds				
All Of Us	-	34,728	(30,297)	4,431
POD sustainability	36,440	62,485	(81,957)	16,968
Safelhaven	76	-	(76)	-
Henry Smith Charity	-	17,500	(13,254)	4,246
Happy Healthy Holidays	-	6,000	(6,000)	-
Total restricted funds	<u>36,516</u>	<u>120,713</u>	<u>(131,584)</u>	<u>25,645</u>
Total funds	<u>36,516</u>	<u>121,430</u>	<u>(132,301)</u>	<u>25,645</u>

SHINE@NechellsPOD

Notes to the Financial Statements for the Year Ended 31 August 2020

13 Analysis of net funds

	At 1 September 2019 £	Cash flow £	At 31 August 2020 £
Cash at bank and in hand	71,644	43,514	115,158
Net funds	<u>71,644</u>	<u>43,514</u>	<u>115,158</u>
	At 1 September 2018 £	Cash flow £	At 31 August 2019 £
Cash at bank and in hand	<u>29,420</u>	<u>42,224</u>	<u>71,644</u>
Net debt	<u>29,420</u>	<u>42,224</u>	<u>71,644</u>

14 Related party transactions

During the year the charity made the following related party transactions:

Nechells POD CIC

Expenditure incurred by SHINE was covered by income received from Nechells POD CIC, an organisation that operates from shared premises and has a common trustee. A £7,000 donation due to SHINE was transferred from Nechells POD CIC during the year. At the balance sheet date the amount due to Nechells POD CIC was £2,610 (2019 - £9,610).

SHINE@NechellsPOD

Statement of Financial Activities by fund for the Year Ended 31 August 2020

	Total Unrestricted funds 2020 £	Unrestricted funds 2019 £
Income and Endowments from:		
Donations and legacies	31,276	717
Total income	31,276	717
Expenditure on:		
Charitable activities	(31,276)	(717)
Total expenditure	(31,276)	(717)
Net income/(expenditure)	-	-
Reconciliation of funds		
Total funds carried forward	-	-

SHINE@NechellsPOD

Statement of Financial Activities by fund for the Year Ended 31 August 2020

	Total Restricted funds 2020 £	Restricted funds 2019 £
Income and Endowments from:		
Donations and legacies	147,679	63,623
Other income	<u>53,900</u>	<u>62,090</u>
Total income	<u>201,579</u>	<u>125,713</u>
Expenditure on:		
Charitable activities	<u>(129,209)</u>	<u>(136,584)</u>
Total expenditure	<u>(129,209)</u>	<u>(136,584)</u>
Net income/(expenditure)	<u>72,370</u>	<u>(10,871)</u>
Net movement in funds	72,370	(10,871)
Reconciliation of funds		
Total funds brought forward	<u>25,645</u>	<u>36,516</u>
Total funds carried forward	<u><u>98,015</u></u>	<u><u>25,645</u></u>

SHINE@NechellsPOD

Detailed Statement of Financial Activities for the Year Ended 31 August 2020

	Total 2020 £	Total 2019 £
Income and Endowments from:		
Donations and legacies (analysed below)	178,955	64,340
Other income (analysed below)	53,900	62,090
Total income	232,855	126,430
Expenditure on:		
Charitable activities (analysed below)	(160,485)	(137,301)
Total expenditure	(160,485)	(137,301)
Net income/(expenditure)	72,370	(10,871)
Net movement in funds	72,370	(10,871)
Reconciliation of funds		
Total funds brought forward	25,645	36,516
Total funds carried forward	98,015	25,645

Detailed Statement of Financial Activities for the Year Ended 31 August 2020

	Total 2020 £	Total 2019 £
<i>Donations and legacies</i>		
Donations	145,429	63,623
Community consultation and social media	2,250	-
Unrestricted Donations	31,276	717
	<u>178,955</u>	<u>64,340</u>
<i>Other income</i>		
Payroll recharges from Nechells POD CIC	53,900	62,090
	<u>53,900</u>	<u>62,090</u>
<i>Charitable activities</i>		
Community activities	(12,546)	(11,448)
Wages and salaries (Restricted)	(91,573)	(86,857)
Wages and salaries (Unrestricted)	(15,868)	-
Staff NIC (Employers)	(7,115)	(5,260)
Staff pensions (Defined contribution) - pension scheme	(881)	(313)
Staff training	(630)	(198)
Travelling	(3,076)	(4,151)
Rates	(81)	(1,512)
Heat, light and water (Restricted)	-	(5,833)
Heat, light and water (Unrestricted)	(6,329)	-
Insurance (Restricted)	-	(3,722)
Insurance (Unrestricted)	(2,394)	-
Repairs and maintenance	(7,667)	(5,383)
Security	(888)	(1,422)
Office expenses	-	(4,640)
General expenses	(6,685)	(717)
Computer software and maintenance costs	(796)	(101)
Accountancy fees	(2,298)	(2,065)
Professional fees	(1,468)	(4,169)
Bank charges	(190)	490
	<u>(160,485)</u>	<u>(137,301)</u>