

THE WAVE PROJECT
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021

**THE WAVE PROJECT
(A COMPANY LIMITED BY GUARANTEE)**

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**THE WAVE PROJECT
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2021**

Trustees	Mr B Evans Miss A Hage Mrs B Willmott Mr A Brown Miss E Johnson Mr J Masters Mr W Robertson Dr A Pearson (appointed 27 April 2020) Mr G Hooper (appointed 27 April 2020) Mr W Simpson (appointed 27 July 2020) Dr W Thomas (resigned 27 April 2020)
Company registered number	07489189
Charity registered number	1163421
Registered office	6 Fore Street Newquay Cornwall TR7 1LN
Independent auditors	Bishop Fleming LLP Chartered Accountants 10 Temple Back Bristol BS1 6FL
Bankers	Lloyds Bank Plc 14 Molesworth Street Wadebridge Cornwall
Solicitors	Osborne Clarke 2 Temple Back East Temple Quay Bristol

**THE WAVE PROJECT
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2021**

The Trustees have pleasure in presenting their report and audited financial statements for the year ended 31 January 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity registration number: 1163421 (England and Wales)
SCO45600 (Scotland)

Company registration number: 07489189

Principal Office & Advisors

These are detailed on page 2.

Trustees

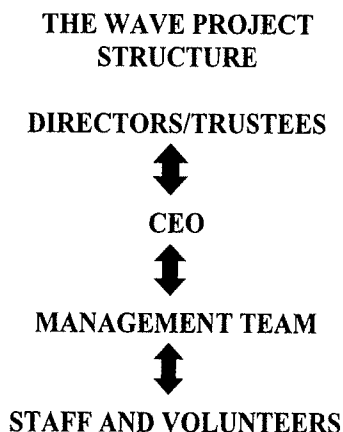
The names of trustees are shown on page 2.

Legal Status and Governing Document

The Wave Project was incorporated on the 11th January 2011. The Memorandum & Articles of Association dated 5th August 2015 were amended by special resolution dated 17th February 2016. The Charity is a company limited by guarantee (registered number 07489189) and does not have a share capital. The Charity is also a registered charity (registered number 1163421 in England and Wales and SCO45600 in Scotland). In accordance with Section 60 of the Companies Act 2006, the word 'limited' is omitted from the name. The liability of the members who constitute the Charity is limited to £1 per member.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is run by a Board of Trustees. The Trustees are also directors of the company for the purposes of the Companies Act 2006.



The day-to-day management of the Charity is delegated to the CEO, Joe Taylor, who is assisted by the project managers for each of the projects. The Trustees meet as a full board at least six times per year including the Annual General Meeting to ensure that the governance of the Charity is implemented, to discuss the strategic direction of the Charity, to monitor financial performance, risk, human resources and operations, and all decisions reached are done so by a majority vote.

**THE WAVE PROJECT
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

Appointment and training of Trustees

As set out in the Articles of Association, the Trustees are nominated by the existing directors. They are then invited to join the Trust by the CEO. The number of Trustees shall be not less than three. Trustees are invited to attend Trust training but the majority are already sufficiently experienced.

Pay policy for senior staff

All Trustees give of their time freely and no trustee received remuneration in the year. The CEO's salary was reviewed this year by an independent consultancy Reward Connected and updated by the trustees following the report's recommendations.

OBJECTIVES AND ACTIVITIES

Objects of the Charity

The charity's objects are specifically restricted to the following:

- To advance in life, relieve the needs of and help young people and in particular (but without limitation) those affected by disability, illness, mental health problems, social exclusion, low self-esteem or other disadvantage or difficulty including (but not limited to) by,
 - (a) the provision of recreational and leisure time activities provided in the interests of social welfare, with a view to improving their conditions of life, and
 - (b) the advancement of their education and the development of their skills, capabilities and confidence, in particular (but without limitation) through the provision of instruction in and facilities for surfing and other related sports.

Activities of the Charity

The Wave Project runs award winning surf therapy projects and a beach school which help young people to build confidence, improve their educational prospects and avoid problems associated with social isolation.

Mission Statement

'The Wave Project aims to change the lives of young people by using surfing, peer-mentoring and friendship. Our aim is to give clients the skills, confidence and self-belief they need to achieve their goals, no matter what additional challenges they face. We recognise that everyone young person is different and each responds to challenges differently. But we believe that with the right assistance and support they can do it.'

Aims of Charity for the public benefit

1. To promote a healthy lifestyle amongst disadvantaged people, especially the young with mental health and physical disabilities, by organising surfing courses and other water based physical activities.
2. To encourage young volunteers to support disadvantaged young people.
3. To measure the benefits of the activities offered.
4. To ensure the benefits of the Wave Project's approach are made available nationally in the United Kingdom, and, as a second priority, elsewhere in the world.
5. To ensure the long-term survival of the Wave Project by diversifying the sources of its funding.

Fundraising Activities of the Charity

The charity continues to fundraise through appeals for support and attending events and festivals. The charity does not use professional fundraisers to carry out these activities.

**THE WAVE PROJECT
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

OVERVIEW

Action	Rationale and Detail
1. Trustees to support the Chair of Finance by raising funds and by identifying possible opportunities. (Risk 2)	Diversify sources of income, by developing the membership scheme; the retail and online store and regular donation income
2. Improve the quality of our service by helping our research supplier to develop industry leading analytics (Risk 3)	Monitor progress so far on our scientific evaluation of courses. Are we missing opportunities or threats?
3. Continue to develop the staffing and data security plan (Risk 1)	Review security and data handling in the light of the GDPR legislation introduced in May 2018.
4. Develop and implement a marketing plan (Risk 2)	Develop the retail store based, and online offer to secure a turnover of £100,000 this year
5. Develop and implement a marketing plan (Risk 2)	Aim to grow further the income from supporters.
6. Consolidate the expansion of the Wave Project's newer locations (Risk 1 and 4)	Monitor Management Information to ensure a high standard of H and S control, financial control, good client and volunteer relations, and written supplier contracts.

We have been able to maintain a service delivery for all projects by successful funding applications and working closely with local authorities throughout the UK. Our core business of surf therapy has been maintained by a combination of grants and donations.

PUBLIC BENEFIT

The trustees have complied with their duty to have due regard to guidance published by the Charity Commission on the operation of the Public Benefit requirement.

ACHIEVEMENTS AND PERFORMANCE

We have been awarded the following grants for the continuation of surf projects throughout the United Kingdom:-

- National Lottery Community Fund - supports running costs of surf therapy programmes in Dorset, Northern Ireland the Isle of Wight.
- BBC Children In Need – supports the project in South Devon; and a social prescribing project across the South West of England
- Laureus Sport for Good Foundation– funds projects in Cornwall and London
- The Henry Smith Charity – supports running costs of the project in Brighton and West Sussex
- The Garfield Weston Trust – supports projects in Cornwall and Yorkshire
- The Clarksons Foundation – funded the purchase of a vehicle in Northern Ireland
- The Tides Foundation – funded the planning and design costs of a new Beach School in Cornwall, and surf therapy costs in Brighton, Tynemouth and South Devon
- Raise Your Hands – supports core costs
- Foundation For Children – supports the project in Bristol and South Wales
- The Robertson Trust – supports the project in Dunbar
- Barbara Ward Foundation - supports the surf club in the Isle of Wight
- The Newby Trust – supports the project in North Yorkshire
- The Buffini Chao Foundation - provides funds for surf therapy in Cornwall
- Pickwell Foundation – supports the surf club in North Devon
- The Tudor Trust – supports salary costs for the South East regional manager
- The Herman Miller Foundation – supports project costs in South Wales

CURRENT STATUS AND FUTURE PLANNING

An independent long term evaluation study was released in the year which supported the long held belief that surf therapy changes lives for the better.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

This reinforced the commitment of the charity, which now operates in 13 locations and has supported over 1,000 young people via surf therapy courses and surf clubs within the year.

A five year strategy has been developed and will steer the charity until 2023. Ultimately the aim is to bring evidence-based surf therapy programmes to any young person in the UK who needs it.

FINANCIAL REVIEW

In 2020, The Wave Project achieved a surplus of £183,556 (2020: £5,335). Total income increased by £278,408 to £1,257,223, which was mainly due to various funding detailed in note 14. However there was a decrease in shop income and surf club income (detailed in note 3). As a result of additional funding for certain projects, staff costs increased by £130,127 during the year.

Net assets increased to £442,828 (2020: £259,272).

At 31 January 2021, the Charity held total cash balances of £386,254 (2020: £175,159).

Reserves Policy

It is the policy of The Wave Project to maintain unrestricted funds, which are the free reserves of the Charity (excluding fixed assets), sufficient funds to cover two months management, administration, support costs and to respond to emergency expenditure which arises from time to time. This equates to a reserve of approximately £175,000. It is planned to increase the free reserves to cover at least three months management, administration, support costs in the future.

Total funds held by the Charity at 31 January 2021 amounted to £442,828 (2020: £259,272) of which £128,769 (2020: 35,687) is free reserves.

Volunteers are used in order to facilitate the charities provisions and objectives. For the 2021 accounting year a total of 62,000 volunteer hours were contributed (2020: 40,000 hours).

Risk Policy

The Trustees have examined the major strategic, business and operational risk which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate the exposure to these risks.

The principle risks to which the charity is exposed are:

- Risk of accidents in the water, including health and safety of participants, volunteers and staff
- Risk of fraud perpetrated by trustees or employees of the charity
- Risk of accidental damage to the charity's assets
- Risk of losing funding for support costs and additional projects

Investment Policy

The trustees have considered the most appropriate policy for investing funds and agreed that instant access to funds is currently necessary to enable the Charity to operate effectively. The funds, therefore, are currently held in bank deposit accounts with an approved UK regulated bank.

Going Concern

The accounts are prepared on a going concern basis which assumes the Trust will continue to operate for the foreseeable future. The trustees consider this to be appropriate having regard to the circumstances outlined in Note 18 to the notes.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for

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**THE WAVE PROJECT
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

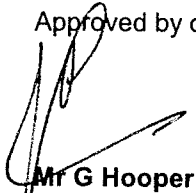
Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its income and expenditure for that year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Approved by order of the members of the board of Trustees and signed on their behalf by:


Mr G Hooper
Trustee
Date: 23 November 2021

**THE WAVE PROJECT
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WAVE PROJECT

OPINION

We have audited the financial statements of The Wave Project (the 'charitable company') for the year ended 31 January 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**THE WAVE PROJECT
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WAVE PROJECT (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WAVE PROJECT (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- the nature of the charity sector, control environment and charity performance;
- results of our enquiries of management and the Trustee board about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, purchase ledger, and identified the greatest potential for fraud as incorrect recognition of revenue, consideration of restricted income, compliance with laws and regulations and management override using manual journal entries.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, purchase ledger and payroll, and identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, The Charities Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These included data protection regulations, occupational health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the laws and regulations

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WAVE PROJECT (CONTINUED)

- that the Charity are subject to;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - reading minutes of meetings of those charged with governance and reviewing internal control reports; and
 - in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Butler FCA, DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 25 November 2021

THE WAVE PROJECT
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	690,006	240,050	930,056	820,004
Charitable activities	4	4,210	239,413	243,623	57,833
Other trading activities	5	-	83,544	83,544	100,978
Total income		694,216	563,007	1,257,223	978,815
Expenditure on:					
Raising funds		-	37,391	37,391	39,190
Charitable activities		603,742	432,534	1,036,276	934,290
Total expenditure		603,742	469,925	1,073,667	973,480
Net movement in funds		90,474	93,082	183,556	5,335
Reconciliation of funds:					
Total funds brought forward		223,585	35,687	259,272	253,937
Net movement in funds		90,474	93,082	183,556	5,335
Total funds carried forward		314,059	128,769	442,828	259,272

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 26 form part of these financial statements.

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(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07489189

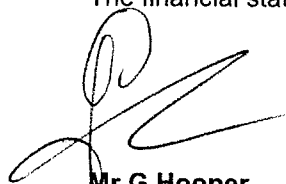
BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	11,875	-
Tangible assets	12	74,957	70,430
		<u>86,832</u>	<u>70,430</u>
Current assets			
Stocks		10,654	14,266
Debtors	13	18,523	61,918
Cash at bank and in hand		386,254	175,159
		<u>415,431</u>	<u>251,343</u>
Creditors: amounts falling due within one year	14	(59,435)	(62,501)
Net current assets		<u>355,996</u>	<u>188,842</u>
Total net assets		<u><u>442,828</u></u>	<u><u>259,272</u></u>
Charity funds			
Restricted funds	15	314,059	223,585
Unrestricted funds	15	128,769	35,687
Total funds		<u><u>442,828</u></u>	<u><u>259,272</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr G Hooper
Trustee

Date: 23 November 2021

The notes on pages 14 to 26 form part of these financial statements.

THE WAVE PROJECT
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	280,263	29,390
Cash flows from investing activities		
Purchase of intangible assets	(11,875)	-
Purchase of tangible fixed assets	(57,293)	(62,720)
Net cash used in investing activities	(69,168)	(62,720)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	211,095	(33,330)
Cash and cash equivalents at the beginning of the year	175,159	208,489
Cash and cash equivalents at the end of the year	386,254	175,159

The notes on pages 14 to 26 form part of these financial statements

**THE WAVE PROJECT
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

1. GENERAL INFORMATION

The Wave Project is a charitable private company limited by guarantee without share capital, incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The registered office and principle address is 6 Fore Street, Newquay, Cornwall, TR7 1LN.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Wave Project 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.

2.2 GOING CONCERN

The trustees have reviewed the latest financial information along with the budget and cashflow forecasts and have concluded that The Wave Project is a going concern. The trustees acknowledge that the pandemic has given rise to a higher level of uncertainty than would normally be anticipated, however in all reasonable scenarios consider that the charity can meet all liabilities as they fall due. Consequently the financial statements are prepared on a going concern basis.

2.3 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE (CONTINUED)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.6 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	-	%
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2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	Not depreciated
Plant and machinery	-	25% per annum straight line
Motor vehicles	-	20% per annum straight line
Fixtures and fittings	-	20% per annum straight line
Computer equipment	-	33% per annum straight line

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2. ACCOUNTING POLICIES (continued)

2.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Donated items of stock for resale or distribution are not included in the financial statement until they are sold or distributed because the trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold.

2.9 DEBTORS

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

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.12 FINANCIAL INSTRUMENTS

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.14 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.15 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company 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 Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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3. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	165,940	165,940	168,863
Grants	565,206	74,110	639,316	651,141
Government grants	124,800	-	124,800	-
	<u>690,006</u>	<u>240,050</u>	<u>930,056</u>	<u>820,004</u>
TOTAL 2020	<u>606,268</u>	<u>213,736</u>	<u>820,004</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Sales and services	4,210	230,645	234,855	33,079
Surf Club	-	8,768	8,768	24,754
	<u>4,210</u>	<u>239,413</u>	<u>243,623</u>	<u>57,833</u>
TOTAL 2020	<u>4,204</u>	<u>53,629</u>	<u>57,833</u>	

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Shop Income	83,544	83,544	100,978
TOTAL 2020	<u>100,978</u>	<u>100,978</u>	

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6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Costs of charitable activities	675,459	360,817	1,036,276	934,290
TOTAL 2020	588,169	346,121	934,290	

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Staff costs	90,898	81,005
Depreciation	35,618	24,824
Legal and professional fees	20,402	17,094
Premises costs	68,694	79,561
IT	9,347	7,477
Training	7,094	-
Administration	105,428	101,541
Fundraising	612	14,900
Governance costs	22,724	19,719
	360,817	346,121

7. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	10,200	10,656

THE WAVE PROJECT
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8. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	624,292	505,365
Social security costs	49,217	41,142
Contribution to defined contribution pension schemes	11,557	8,432
	685,066	554,939

The average number of persons employed by the Company during the year was as follows:

	2021	2020
	No.	No.
CEO	1	1
Administrators	5	5
Project managers	19	17
Project workers	2	2
	27	25

No employee received remuneration amounting to more than £60,000 in either year.

the Trustees considered its key management personnel in the year to comprise of the trustees, CEO and senior management. The total employment benefits including pension contributions of the key management personnel were £134,512 (2020: £129,639).

9. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 January 2021, no Trustee expenses have been incurred (2020 - £542).

10. TAXATION

The Wave Project is a registered charity and is thus exempt from tax in income and gains under the relevant taxation acts to the extent that these applied to its charitable objects. No tax charges have arisen in the charity and there was no UK corporation tax payable by The Wave Project in 2021 or 2020.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

11. INTANGIBLE ASSETS

	Computer software £
COST	
Additions	11,875
At 31 January 2021	<u>11,875</u>
NET BOOK VALUE	
At 31 January 2021	<u><u>11,875</u></u>
At 31 January 2020	<u><u>-</u></u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION					
At 1 February 2020	5,716	51,558	38,444	70,786	166,504
Additions	-	-	19,194	38,098	57,292
Disposals	-	-	(23,234)	-	(23,234)
At 31 January 2021	<u>5,716</u>	<u>51,558</u>	<u>34,404</u>	<u>108,884</u>	<u>200,562</u>
DEPRECIATION					
At 1 February 2020	-	33,951	9,129	52,994	96,074
Charge for the year	-	7,555	6,881	21,181	35,617
On disposals	-	-	(6,086)	-	(6,086)
At 31 January 2021	<u>-</u>	<u>41,506</u>	<u>9,924</u>	<u>74,175</u>	<u>125,605</u>
NET BOOK VALUE					
At 31 January 2021	<u><u>5,716</u></u>	<u><u>10,052</u></u>	<u><u>24,480</u></u>	<u><u>34,709</u></u>	<u><u>74,957</u></u>
At 31 January 2020	<u><u>5,716</u></u>	<u><u>17,607</u></u>	<u><u>29,315</u></u>	<u><u>17,792</u></u>	<u><u>70,430</u></u>

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13. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	2,952	4,579
Prepayments and accrued income	15,571	57,339
	<u>18,523</u>	<u>61,918</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	27,257	28,886
Other taxation and social security	15,369	15,500
Other creditors	16,809	18,115
	<u>59,435</u>	<u>62,501</u>

THE WAVE PROJECT
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 February 2020 £	Income £	Expenditure £	Balance at 31 January 2021 £
UNRESTRICTED FUNDS				
General Funds	35,687	563,007	(469,925)	128,769
RESTRICTED FUNDS				
Big Lottery	27,419	133,135	(85,815)	74,739
Wave Rangers - Sport England	43,966	-	(43,966)	-
Beach School - Comic Relief	1,683	-	(1,683)	-
North Yorkshire Council	7,328	20,100	(19,906)	7,522
The Henry Smith Foundation	11,459	-	(11,459)	-
Children in need	53,942	127,373	(85,521)	95,794
Morrisons	58	-	(58)	-
Laureaus - Sustainability and City to Sea	24,377	101,142	(89,410)	36,109
North Devon	6,645	27,416	(27,214)	6,847
Brighton	2,687	-	-	2,687
Scotland	9,363	29,500	(29,201)	9,662
Tudor Trust	20,820	33,000	(30,287)	23,533
South Wales	13,838	20,500	(5,270)	29,068
Cornwall	-	18,500	(17,986)	514
London	-	5,000	(899)	4,101
Tynemouth	-	13,750	(7,929)	5,821
Foundation for Children	-	10,000	(5,517)	4,483
Barbara Ward Foundation	-	10,000	(2,500)	7,500
Buffini Chao Foundation	-	20,000	(14,321)	5,679
CJRS	-	124,800	(124,800)	-
	223,585	694,216	(603,742)	314,059
TOTAL OF FUNDS	259,272	1,257,223	(1,073,667)	442,828

15. STATEMENT OF FUNDS (CONTINUED)

Restricted Funds

Big Lottery - supports running costs of surf therapy programmes in Dorset, Northern Ireland the Isle of Wight.

Wave Rangers - supported by Sport England

Beach School - supported by Comic Relief

North Yorkshire Council - supports the project ongoing in North Yorkshire

The Henry Smith Foundation - supports running costs of the project in Brighton and West Sussex

Children in need - supports the project in South Devon; and a social prescribing project across the South West of England

Morrison's - represents the net book value of fixed assets purchased by restricted monies

Laureus. Sustainability - funding from Laureus towards the core costs, in particular relating to sustainability. City to Sea - funding from Laureus to support the project in London

North Devon - funding received to support the surf club in this area

Brighton - money donated to be spent in the Brighton area.

Scotland - money provided to support the surf programme in this area

Tudor Trust - supports salary costs for the South East regional manager

Barbara Ward - supports the surf club in the Isle of Wight

South Wales - funding to support the surf project in this area

Cornwall - funding to support the surf project in this area

London - funding to support the surf project in this area

Tynemouth - funding to support the surf project in this area

Foundation for Children - supports the project in South Devon

Buffini Chao Foundation - provides funds for our education programmes in Cornwall

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 February 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2020 £
UNRESTRICTED FUNDS					
General Funds	143,798	368,343	(473,969)	(2,485)	35,687
RESTRICTED FUNDS					
Big Lottery	11,134	83,592	(67,307)	-	27,419
Wave Rangers - Sport England	27,715	43,114	(26,863)	-	43,966
Beach School - Comic Relief	15,930	34,472	(48,719)	-	1,683
North Yorkshire Council	201	26,214	(19,087)	-	7,328
The Henry Smith Foundation	12,038	30,000	(30,579)	-	11,459
Children in need	14,196	120,838	(81,092)	-	53,942
Morrisons	115	-	(57)	-	58
Laureaus - Sustainability and City to Sea	20,250	126,960	(122,999)	166	24,377
North Devon	-	8,213	(1,568)	-	6,645
Brighton	-	2,743	(56)	-	2,687
Scotland	-	43,656	(44,293)	10,000	9,363
Tudor Trust	-	33,000	(12,180)	-	20,820
South Wales	-	15,721	(1,883)	-	13,838
Morton Fraser	8,560	-	-	(8,560)	-
Foundation for Children	-	11,950	(11,950)	-	-
Barbara Ward Foundation	-	10,000	(10,000)	-	-
Buffini Chao Foundation	-	20,000	(20,879)	879	-
	110,139	610,473	(499,512)	2,485	223,585
TOTAL OF FUNDS	253,937	978,816	(973,481)	-	259,272

THE WAVE PROJECT
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NOTES TO THE FINANCIAL STATEMENTS
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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	33,059	41,898	74,957
Intangible fixed assets	-	11,875	11,875
Current assets	281,000	134,431	415,431
Creditors due within one year	-	(59,435)	(59,435)
TOTAL	314,059	128,769	442,828

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	41,620	28,810	70,430
Current assets	181,965	69,378	251,343
Creditors due within one year	-	(62,501)	(62,501)
TOTAL	223,585	35,687	259,272

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the period (as per Statement of Financial Activities)	183,556	5,335
ADJUSTMENTS FOR:		
Depreciation charges	35,617	24,825
Loss on the sale of fixed assets	17,149	-
Decrease/(increase) in stocks	3,612	(2,327)
Decrease/(increase) in debtors	43,395	(36,094)
Increase/(decrease) in creditors	(3,066)	37,651
NET CASH PROVIDED BY OPERATING ACTIVITIES	280,263	29,390

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NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	386,254	175,159
TOTAL CASH AND CASH EQUIVALENTS	386,254	175,159

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1 February 2020 £	Cash flows £	At 31 January 2021 £
Cash at bank and in hand	175,159	211,095	386,254
	175,159	211,095	386,254

20. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £11,557 (2020: £8,267) in the year. £2,459 (2020: £2,265) were payable to the fund at the balance sheet date and are included in creditors.

21. OPERATING LEASE COMMITMENTS

At 31 January 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	27,501	28,971
Later than 1 year and not later than 5 years	95,418	95,000
Later than 5 years	1,875	24,375
	124,794	148,346

22. RELATED PARTY TRANSACTIONS

During the year the charity paid ERA Adventures Limited, a company controlled by the spouse of a member of key management personnel, £1,400 (2020: £3,175) for provision of surf school. There were no outstanding balances at the year end (2020: £Nil).