



**The Ugly
Duckling Co.**

Report and Accounts for the year to 31 March 2021

Trustees' Report

The trustees are pleased to present their report for The Ugly Duckling Company CIO for the year to 31st March 2021.

Constitution and Charitable Objects

The Ugly Duckling Company (UDC) is a Charitable Incorporated Organisation registered on 24th May 2017. UDC's objects are the advancement of religion through the world, mainly by encouraging churches and individual Christians.

Organisational structure and decision making processes

UDC is governed by a Board of Trustees who normally meet 3–4 times per year, although with COVID-19 leading to reducing reserves and a major new resource being developed, trustees have been meeting more frequently. Meetings consider strategic planning issues as well as financial reports and other legal requirements. Trustees receive regular updates on the activity of the charity as well as trustee information circulated by the Charity Commission. UDC benefits from the professional skills of the trustees who, in the past year, have been part of reviewing new product developments and the response to COVID-19. Day to day running of the charity is delegated to the officers listed below.

Charity Details

Address

The Ugly Duckling Company
Oak House, Aylburton Business Centre
Stockwell Lane, Aylburton
GL15 6ST

Director

Mrs Sharon Lanfear

Website

www.theuglyducklingcompany.com

Bankers

Lloyds Bank plc
PO Box 1000
Andover BX1 1LT

Trustees

Rev Marc Owen – Chairman
Mr Keith Howick
Mr Graham McGill
Mr Philip Poole
Rev Stephen Taylor

Independent Examiner

Rhys Phillips
21 Highbeech Road
Bream
Lydney
GL15 6JH

Trustees' Report (cont.)

Major risks identified

The main risks identified were:

- Our main income stream has been from the limited number of grant-making trusts available to us. It will be important to develop new, increased sources of income.
- There are significant opportunities to offer services into the general market. UDC's explicitly Christian identity may limit our ability to fully exploit these. It is our intention to be clear in our marketing that our resources are not limited to the faith sector.
- Recovery from lost income due to COVID-19 may be slow and threaten future activities. It will be important to continue to make use of any government support schemes and work to re-establish and improve on pre pandemic level of sales.
- The launch of the **10:10** resource, which is essential for the stability and growth of the charity, was delayed by COVID-19 until after the end of the current year. Against that, we are convinced that the resource will speak into issues that are at the forefront of discussion within society.

Objectives and activities

Whilst we saw a significant drop in sales of our physical products and we were not able to fulfill other income generating commitments due to the pandemic, we were afforded the space to focus on the writing of already agreed resources.

Funding received from AllChurches Trust enabled us to continuing working on the development of **10:10** a new youth resource. Initial plans to launch within this financial year were postponed due to lockdowns and restrictions. However, in between lockdowns the filming of experts commenced. Designed as a ten session course **10:10** will provide an opportunity for young people to hear what doctors, psychologists, counsellors and youth workers have to say on subjects like kindness, forgiveness, relationships, purpose and looking after your mind. The course will enable young people to explore transformative ideas through films, discussion, activities, experiments and personal reflection on how we can learn to flourish and live life well. A suite of high quality, easy to use resources will equip those leading the course to explore with young people how positive psychology and spirituality can boost well-being, improve health and transform lives.

Trustees' Report (cont.)

Objectives and activities (cont.)

Other external agencies also engaged with us in continued partnership work:

- *The Arthur Rank Centre.*
Working collaboratively we developed **Rural Talk**, a set of conversational cards around the themes of isolation and loneliness, designed to help rural churches consider how they might respond to the growing challenge of isolation and loneliness facing many rural communities.
- *Renew Wellbeing*
Witnessing a rise in people talking about mental health over the last couple of years and increasingly so through the pandemic, another collaborative piece of work with the charity Renew Wellbeing resulted in the development of **Table Talk for Wellbeing**, a pack of question cards containing six themes built around the Five Ways to Wellbeing and emotions. We wanted to start a conversation around mental health in a way that would make talking about the subject accessible and also encourage people to explore ways to live well at the same time. The Five Ways to Wellbeing developed by The New Economics foundation with the Government's Foresight report in 2008, found that Connecting, Keeping Learning, Getting Active, Taking Notice and Giving were all good ways to attend to our wellbeing. Creating the resource around the Five Ways provides everyone with a shared language to talk about wellbeing across care systems, faith and community groups.
- *London Baptist Association*
In response to a request from LBA and questions around how we recover well, we developed **Table Talk for Change**, a mini set of cards looking at how to explore the theme through engaging with questions around the past, present and future.

As the majority of our resources are centered around small groups being able to gather together, the pandemic forced us to begin looking at how we could adapt our resources to make them more accessible online. We created an online version of **Table Talk for Lockdown** (made available on our website) and delegate workbooks for our courses were transferred to a temporary online platform. We were also able to offer a section of our **Puzzling Questions** course free to download.

We were encouraged that our existing **Table Talk apps** were downloaded 6.03k for the first time on the iOS platform across 80 countries, and our hope is that it is enabling many meaningful and spiritual conversations to take place.

Trustees' Report (cont.)

Future plans for 2021–22

Over the next 12 months we plan to:

- Develop a wider initiative to expand the range, reach and accessibility of our resources and to envision and equip the church to be missional in a post lockdown world. This will also form our strategy for fundraising and increased support.
- Launch and market **10:10** (as outlined above)
- Develop and trial the first draft of **10:10** for Children. Based on the same themes as the Youth version, this resource will equip children's workers, teachers, clergy, chaplains and pastoral staff to offer support to children aged 4 - 10 in schools, churches and the community around the subject of wellbeing.
- Develop **KOBLE** (Norwegian word for connect) a new resource for a whole church to embark on a journey to discover how to do mission in their context and to build on new connections made exploring what next.
- To build a brand new digital platform that will host all our resources ensuring our resources are easily accessible.
- Continue with the development of relationships with key partnerships to increase the use of UDC resources.

Financial review

Overall Income decreased by £31,975 (30%), mostly in grant income, most grant makers were focused on giving emergency grants to organisations hard hit by COVID-19, (UDC had previously received grants to develop the new **10:10** resource and staff were busy with writing and development). Neither were we successful in applying for the government backed £10,000 COVID-19 grant, which our local authority refused.

General fund expenditure reduced by £11,513 (14%) but development expenditure (on **10-10**) increased by £9,006 (38%) leaving overall costs down only £2,507 (2%).

Sales of our products and programmes fell because most of our customers were closed for most of the year. Sales fell by £10,153 (44%) but we did receive funding of £16,200 from the Diocese of Gloucester for the completion of a consultancy and training contract.

The result of the above was that unrestricted funds fell by £27,566 to £16,790. Restricted funds benefitted from income towards the development of **10:10** and increased by £724 to £24,709.

Trustees' Report (cont.)

Ongoing Impact of COVID-19

With further waves of COVID-19 being experienced after the financial year end, 2021-22 is proving another difficult year. With general reserves falling to what has been identified as the minimum practical, the trustees and staff are working closely together to ensure that the operation can match its operational costs to the current income. As of the date that this report was adopted, trustees are confident that UDC remains, and will remain viable.

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with relevant legislation and regulations. The trustees are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its 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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by:

Rev Marc Owen (Chairman)

18th December 2021

Independent Examiner's Report

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act) and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act
- have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Rhys Phillips (Independent Examiner)

18 December 2021

Statement of Financial Activities for the year to 31 March 2021

	Note	Un- restricted funds £	Restricted income funds £	Total funds £	Prior year funds £
Incoming resources					
Income and endowments from:					
Donations and legacies		16,490	33,595	50,085	80,205
Charitable activities		24,285	-	24,285	26,138
Investments		3	-	3	5
Total	3	40,778	33,595	74,373	106,348
Resources expended					
Expenditure on:					
Charitable activities	4	68,344	32,871	101,215	103,722
Net income/ (expenditure)		(27,566)	724	(26,842)	2,626
Reconciliation of funds:					
Total funds brought forward		44,356	23,985	68,341	65,715
Total funds carried forward		16,790	24,709	41,499	68,341

Balance Sheet at 31 March 2021

	Note	Un- restricted funds £	Restricted income funds £	Total this year £	Total last year £
Fixed assets					
Tangible assets	5	1,984	-	1,984	2,603
Total fixed assets		1,984	-	1,984	2,603
Current assets					
Stocks	6	2,115	-	2,115	2,982
Debtors	7	2,755	-	2,755	2,988
Cash at bank and in hand	8	15,097	24,709	39,806	66,395
Total current assets		19,967	24,709	44,676	72,365
Creditors: amounts falling due within one year	9	5,161	-	5,161	6,627
Net current assets/(liabilities)		14,806	24,709	39,515	65,738
Total assets less current liabilities		16,790	24,709	41,499	68,341
Creditors: amounts falling due after one year	9	-	-	-	-
Provisions for liabilities		-	-	-	-
Total net assets		16,790	24,709	41,499	68,341
Funds of the Charity					
Restricted income funds		-	24,709	24,709	23,985
Unrestricted funds		16,790	-	16,790	44,356
Total funds		16,790	24,709	41,499	68,341

Signed on behalf of all the trustees by:

Rev Marc Owen (Chairman)

Date:

18th December 2021

Notes to the accounts for the year to 31 March 2021

1 Basis of preparation

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with:

- the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102

1.2 Going concern

There were no material uncertainties that cast doubt on the charity's ability to continue as a going concern.

1.3 Change of accounting policy

The accounts present a true and fair view and the accounting policies adopted are those outlined in note 2.

1.4 Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period (3.46 FRS 102 SORP).

1.5 Material prior year errors

No material prior year errors have been identified in the reporting period (3.47 FRS 102 SORP).

2 Accounting policies

The following accounting policies have been applied by the charity:

Income

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

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

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.

Notes to the accounts for the year to 31 March 2021 (cont.)

2 Accounting policies (cont.)

Grants & donations	Grants & donations are only included when the general income recognition criteria are met (5.10-12 FRS102 SORP).
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.
Support costs	The charity has incurred expenditure on support costs.
Volunteer help	The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.
interest, royalties and dividends	This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.
Expenditure and liabilities	
Liability recognition	Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.
Governance and support costs	Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent & other costs by their usage.
Redundancy cost	The charity made no redundancy payments during the period.
Deferred income	No material item of deferred income has been included in the accounts.
Creditors	The charity has creditors which are measured at settlement amounts less any trade discounts.
Provisions for liabilities	A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.
Assets	
Tangible fixed assets for use by charity	These are capitalised if they can be used for more than one year, and cost at least £200. They are valued at cost. The depreciation rates and methods used are disclosed in note 5.
Stocks and work in progress	Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value. Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock. Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

Notes to the accounts for the year to 31 March 2021 (cont.)

2 Accounting policies (cont.)

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.

There were no accounting policies adopted additional or different from those above.

3 Analysis of income

		Unrestricted funds	Restricted income funds	Total funds	Prior year
		£	£	£	£
Donations and legacies:	Donations and gifts	12,329	2,885	15,214	13,607
	Gift Aid	2,561	710	3,271	2,348
	General grants provided by government/other charities	1,600	30,000	31,600	64,250
	Total	16,490	33,595	50,085	80,205
Charitable activities:	Product Sales	7,100	-	7,100	16,088
	Consulting and Training Fees	16,200	-	16,200	7,900
	Expenses Recovered	985	-	985	2,150
	Total	24,285	-	24,285	26,138
Income from investments:	Interest income	3	-	3	5
	Total	3	-	3	5
TOTAL INCOME		40,778	33,595	74,373	106,348

Other information:

Restricted income in the prior year comprised £41,000 grants, as listed below, and £1,466 donations.

Within the income items above the following grants received are material:

	Current Yr	Prior Yr
	£	£
General Funds		
Anonymous Trust	-	£6,000
Jerusalem Trust	-	£15,000
Restricted Funds		
Allchurches Trust	£30,000	£30,000
Good News Evangelism	-	£5,000
Diocese of Gloucester	-	£3,000
Souter Charitable Trust	-	£3,000

Notes to the accounts for the year to 31 March 2021 (cont.)

4 Analysis of expenditure

		Unrestricted funds £	Restricted income funds £	Total funds £	Prior year £
Expenditure on charitable activities	Cost of Sales - Direct Charitable Trading	4,414	-	4,414	7,853
	Product/Programme Development	-	30,659	30,659	21,706
	Employment Costs	49,876	-	49,876	48,199
	Support Costs	14,054	2,212	16,266	25,964
	Total expenditure on charitable activities	68,344	32,871	101,215	103,722
TOTAL EXPENDITURE		68,344	32,871	101,215	103,722

Other information:

Analysis of expenditure on charitable activities

Activity or programme	Activities undertaken directly	Support Costs	Total this year	Total prior year
	£	£	£	£
Resources for life-changing conversations	54,290	16,266	70,556	84,495
Wellbeing of young people	30,659	-	30,659	19,227
Total	84,949	16,266	101,215	103,722

Prior year expenditure on charitable activities can be analysed as follows:

Activities undertaken directly	£77,758
Support Costs	£25,964

Details of certain items of expenditure

There were no payments for any statutory external scrutiny of accounts or other services provided by our independent examiner in either the current or prior year.

Notes to the accounts for the year to 31 March 2021 (cont.)

5 Tangible Fixed Assets

Cost or valuation

	Fixtures, fittings and equipment £
At the beginning of the year	9,907
Additions	-
Revaluations	-
Disposals	-
At end of the year	9,907

Depreciation and impairments

**Basis	Straight Line
** Rate	Computers 20% Furn. & Fix. 10%

At the beginning of the year	7,304
Disposals	-
Depreciation	619
At end of the year	7,923

Net book value

Net book value at the beginning of the year	2,603
Net book value at the end of the year	1,984

Notes to the accounts for the year to 31 March 2021 (cont.)

6 Stock

	Stock for resale
	£
Charitable activities:	
<i>Opening</i>	2,982
<i>Added in period</i>	2,944
<i>Expensed in period</i>	(3,811)
<i>Closing</i>	2,115

7 Debtors and prepayments

	This year £	Last year £
Trade debtors	-	411
Other debtors	2,755	2,577
Total	2,755	2,988

8 Cash at bank and in hand

	This year £	Last year £
Short term deposits	10,006	10,003
Cash at bank and on hand	29,800	56,392
Total	39,806	66,395

9 Creditors and accruals

	Amounts falling due within one year		Amounts falling due after more than one year	
	This year £	Last year £	This year £	Last year £
Trade creditors	3,153	2,263	-	-
Accruals and deferred income	120	2,243	-	-
Taxation and social security	1,589	1,340	-	-
Other creditors	300	781	-	-
Total	5,161	6,627	-	-