

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
Oxford Wood Recycling Ltd
(A Company Limited by Guarantee)

Green Accountancy Limited
Signal Court
Old Station Way
Eynsham
Witney
Oxfordshire
OX29 4TL

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for the Year Ended 31 December 2020

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

Objectives and aims

The objects of the charity are for the public benefit:

To relieve unemployment by providing employment, work placements, training and volunteering opportunities for people whose social or economic circumstances mean that they are excluded from work, including but not limited to people recovering from mental or physical illness and people living with a disability.

To preserve and protect the natural environment: by recycling and re-using waste wood and wood products; and by promoting the use of sustainably produced timber. Sustainably produced timber is wood which comes from forests that are re-planted as they are felled ensuring that today's forests are improved and maintained for future generations.

The charity operates a waste wood collection service and reclaims wood for re-use, to be used in the manufacture of furniture and other wooden items, and to be sold as DIY materials. Ancillary to the reclaimed material, the charity sells ironmongery, wood finishes and paint. The charity raises awareness of and sells sustainable local hardwood.

The trustees are aware of, have read, and follow the Charity Commission's guidance on public benefit.

Strategic report

Achievement and performance

Charitable activities

Oxford Wood Recycling (OWR) is a member of the Community Wood Recycling Network. Our joint aims are to reduce the amount of wood waste going to landfill, principally by reclaiming as much as possible for re-use, and secondarily making sure that the residue is passed on for recycling. In common with most other Community Wood Recycling members, OWR has a further and joint aim to support people with disabilities and other barriers to working towards and into employment.

The National Community Wood Recycling network as a whole reclaimed 9200 tonnes of wood for re-use from a total of 21,800 tonnes collected. Nothing was sent to landfill.

In 2020 OWR reclaimed 402 tonnes of construction and manufacturing wood waste out of a total of 1360 tonnes collected, compared with 323 tonnes in 2019. This tonnage was achieved from 1489 collections, which was 249 fewer wood waste collections than the previous year: the COVID-19 pandemic resulted in collections being reduced in the spring, with service only gradually resuming in line with the reopening of the construction sector. This wood was then turned into items such as tables, bookcases, benches and planters, as well as being sold to the public as part of our mission to inspire and educate the public in the benefits of reuse.

Reclaiming and recycling wood in this way has multiple benefits to our environment and for our communities:

- Wood is kept out of landfill.
- Wood is provided for reuse without the energy costs of harvesting, kiln drying, resizing and transport of new material.
- The collection vehicles we use are smaller and emit half the emissions of a standard skip lorry, for the same payload.

With every tonne of wood we collect we are creating work and training opportunities for people at a disadvantage or with a disability, transforming lives for the better. There were a total of 24 registered volunteers at OWR during 2020, and 25% of staff requiring additional support to remain in employment. While opportunities were also significantly reduced during 2020, again due to the COVID-19 pandemic, volunteers and work placements contributed 453 hours of meaningful work in the first two months of the year before lockdown, and 1044 hours after lockdown restrictions were lifted, guided and supported by OWR. The new Employment Support Worker post we created in 2019 enabled the organisation to work more closely with individuals on their journey towards working.

Strategic report

Achievement and performance

Business continuity during COVID-19

In March 2020 England entered a national lockdown in response to the newly emerging COVID-19 pandemic. As a result, OWR was compelled to halt all wood collections for six weeks, close the Woodshop, and furloughed 21 out of 24 staff members. The remaining months of 2020 presented several challenges to the operation of OWR's business, but management and staff's responses meant that the organisation was able to pull through and retain its financial position. The board provided leadership on business continuity throughout the pandemic period in 2020.

The Board of Trustees had one face-to-face meeting and six virtual meetings in 2020. Due to social distancing restrictions, more face-to-face meetings were not possible. The board decided on issues including business continuity, funded business development, furlough pay levels, and a redundancy scheme. Trustees also carried out policy reviews for business administration, including on HR. The Board also decided on the best way to manage an instance of serious fraud and notified the Charity Commission about it. Missing funds were subsequently recovered through the service provider's insurance.

The collections team maintained regular contact with existing customers throughout lockdown such that no clients were lost, despite the nationwide interruption in the construction industry. At the same time an online shop was launched to help offset losses from the closure of the Woodshop, along with a new gift card scheme. Furloughed staff remained on full pay, with 80% of wages coming from the government's Job Retention Scheme and the remaining 20% from OWR funds.

Fundraising along with a modest amount of borrowing also helped with business continuity. OWR raised approximately £87,000 in charitable and government grants from a number of sources, including Abingdon Town Council, Awards4All, CAF Resilience Fund, eScalate, Magnox, and the Postcode Trust, and also drew down £82,000 from the first payment from a three-year Postcode Innovation Trust grant obtained in December 2019. Our main funder, the Postcode Lottery Innovation Trust, allowed us to draw on £27,000 which had previously been restricted for use as short-term working capital, and agreed to a deferral of monthly repayments on the loan for six months. However, our financial position was strong enough that ultimately, we did not need to make use of this emergency funding.

These steps helped to position us well for a partial July re-opening and business recovery through the following months. It also enabled us to report to our main funder that we were able to advance with our three-year business development plan through a difficult period.

In parallel, as part of its Postcode Lottery Innovation Fund grant, OWR undertook some personnel changes as part of an overall strategic change in direction. Four key positions were filled in 2020: a Collections Manager and Marketing Officer were recruited early in the year, followed by a Lead Carpenter, while a Retail Manager was recruited in December. Their work was adapted where necessary to reflect COVID-19 restrictions. Meanwhile, and regrettably, a redundancy consultation was undertaken in October 2020, leading to a reduction in 3 full-time equivalent positions.

We also proceeded with previously planned construction of a new mezzanine floor and workshop space at our main premises in Abingdon. This allowed us to build capacity for manufacturing and hardwood finishing. It was funded by our Postcode Innovation Fund Trust grant.

Strategic report
Financial review
Financial position

The trading activities were disrupted by the Covid 19 pandemic with recycled wood sales at £515,622, down 17% year on year. However, grant income and the Coronavirus job retention funding added to income bringing the total to £804,699, an increase of £180,523 on the total for 2019.

Expenditure for the year was £683,061, up 3% from 2019. Net income for the year was £121,638 which was a significant improvement on the Net expenditure of £39,995 in 2019.

Net assets at the end of 2020 were up from the 2019 figure of £37,402 to £159,040. Of this, £87,080 was unrestricted. The Debtors figure at year end was £110,204.

Despite the pandemic disruption through the year, we have been able to continue progress with the step change in our business plan to address the challenges that contributed to a trading loss in 2019.

Overall, the Trustees believe that charity is in a good financial position and has the financial resources in place to continue recovery after the pandemic and achieve the objectives in the business plan to 2022.

Principal funding sources

Investment funding had been secured at the end of 2019 with a £250,000 funding package from the Postcode Innovation Trust. This is made up of a £125,000 grant and loan of £125,000, repayable over 5 years at 3%. This funding is being used for capital items and to cover operating costs relating to new services and growth.

Grant income for the year totalled £198,567 which included £82,000 of the Postcode Innovation Trust funding, £54,639 from CAF and £25,000 from the VoWH District Council. In addition, we received Coronavirus job retention funds of £75,613.

Historically, we have not drawn significant restricted grant funding with most income coming from trading revenue. The support of our funders through 2020 has helped us become a more robust and sustainable organisation. We are grateful to all our funders for their generosity in a difficult year.

Investment policy and objectives

The charity does not currently hold any investments. The Trustees will review policy on building a portfolio of ethical investments as reserves increase beyond that required to meet current need.

Reserves policy

Our reserve policy is to build an unrestricted cash fund so we can handle cashflow challenges. Before the pandemic, the target for this was £30,000 by December 2021. The long-term target is to increase the unrestricted reserve fund to £120,000 to cover the staff costs for three months.

Strategic report

Principal risks and uncertainties

Throughout 2020 we were able to address many of the risks in 2019. These included recruiting new staff to alleviate pressures on overstretched leadership and management; managing the downturn in the construction sector as well as in manufacturing sales (both as described in the previous section); managing staff sickness and absence again despite the challenges of COVID-19; and purchasing new equipment. We have identified areas where there is long-term risk and are determining the right response to each as we update our business plan. The principal risks are:

1. **Key personnel departure:** In earlier years of OWR's existence, a great deal of organisational capital rested in the founder, posing a key person risk. By now we believe we have mitigated this risk by putting in place a senior leadership team (SLT) comprised of the Collections Manager, Business Administration Manager, Retail Manager, and CEO. This team meets weekly and is in operational control of the business, with or without the CEO. We will also resume management training which we had planned to undertake in 2020 but which had to be postponed due to COVID-19. This would also serve to train all other members of the team, ensuring a long-term talent pipeline. The Board of Trustees would also be able to contribute to business continuity.
2. **The possibility of another pandemic:** OWR has adapted to the challenges posed by COVID-19 and is better placed to ensure business continuity in future, including by moving more sales online and developing the manufacturing side of the business. However, a future pandemic would pose a threat to our employability services and to our overall ability to employ staff without further government support.
3. **A fundamental threat to the NCWRP's business model:** The changing demand for recycled wood products (e.g. wood chip), notably the increasing demand for biomass energy supply to satisfy green energy policy goals, poses a medium-term risk to the network's business model. In some cases, wood waste previously collected under charged-for arrangements by network members is being collected for free by other parties. OWR's collection service, which provides a logistical solution for our customers, represents a good value proposition regardless of the changing demand for wood chip. The organisation might also benefit from a reduction in gate fees from Materials Recycling Facilities.

We are determined to put all measures in place to affect this, including an overhaul of our approach to our employment support programme; training in line management and supervision for managers in order to both challenge and support staff in their roles and for career development; and better communication across the organisation to avoid groups of workers or individuals feeling isolated.

Strategic report

Future plans

Our long-term vision, as first stated in our 2020-22 business plan, is for OWR to become a financially sustainable charity that is:

- An inspirational social enterprise that is a role model for fair and sustainable civil society
- An enterprise that successfully Reduces, Reuses, Repairs and Recycles
- An organisation that is a model for inclusivity, community responsibility and environmental concern.

Despite the additional challenges posed by the pandemic from March-December 2020, we continued to address some of the issues identified as priority areas in 2019 and included in the 2020-2022 business plan. These included overhauling our current people management resource; professionalising our systems, in particular our HR system; investing in a more reliable collections fleet; and producing more value-added manufactured products.

Volunteering and work placements will continue to play a large part in the daily life of the organisation. OWR offers employability services and training to beneficiary volunteers with the aim of supporting them to move closer to, or into work. This service is offered free to our beneficiaries, although it is a business aim to monetise the service in future. In 2020, we initiated a Theory of Change exercise in conjunction with Oxford Research to produce an actionable plan for overhauling our employability service. This process will continue through 2021 but so far has gone some way in clarifying management's thinking on the best way forward.

The need for robust and consistent social and environmental impact reporting has also become apparent. OWR lack systems and processes to record and use data that would give evidence of our social and environmental impact. While work was carried out in 2020 to identify the best means and personnel to design and implement a marketing strategy, this work will continue into 2021. Continually professionalising our employability service will contribute to this work.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

The charity is a company limited by guarantee.

Recruitment and appointment of new trustees

New Trustees are selected by the board of trustees for election by members at an ordinary or extraordinary meeting. All trustee candidates must be approved by the membership body. Individuals may be co-opted by the Trustees during the year as volunteer advisors, without recourse to the membership. Trustee may serve for a period of 3 years when they must resign and may stand again for re-election.

Structure, governance and management

Organisational structure

The charity has around 22 employees each having a line manager. There are also 2 supervisory roles and usually around five to eight work placements and volunteers on site in any one week. There are 3 managers who take care of the three main areas of activity - Wood Collections, the Woodshop and Business Administration (including Health and Safety Management). The CEO line-manages the three managers.

The trustees are of the opinion that the organisational structure and complexity of Oxford Wood Recycling requires the leadership and management provided by a Chief Executive Officer position.

There are complex operations to manage, significant areas of risk associated with large liability commitments such as rental on a 10 year lease, loan debt and a large payroll of 22 members of staff. In addition, 25% - 35% of staff members require at least some additional support to remain at work. The CEO also manages the senior leadership team of three. There are also eight to ten volunteers and work placements registered and present at OWR in any one week. The Board needs someone to oversee the operations, to maintain income streams through the sales pipeline and fundraising, and to drive the implementation of strategy.

Decision making

Day-to-day decisions are made by managers with support from and overseen by the CEO. The trustees are consulted or informed on all important decisions and matters, including large purchases, large outstanding debts, significant disciplinary issues where jobs are at risk, major grievances, and other areas where there is a high degree of operational risk. The Chief Executive Officer on the date the report was approved and for the period under review was Richard Snow.

Induction and training of new trustees

Under our Articles of Association, new Trustees are selected by the board of trustees for election by members at an ordinary or extraordinary meeting. All trustee candidates must be approved by the membership body. Individuals may be co-opted by the Trustees during the year as volunteer advisors, without recourse to the membership. Trustee may serve for a period of 3 years when they must resign and may stand again for re-election.

Two new trustees were recruited in early 2020. and voted in at the AGM in December. They were formally co-opted to the board in April, then stepped down at the December 2020 AGM and were reappointed through election at the meeting. The Charity Commission and Companies House have been updated with their details as Trustee of the charity and Director of the company. As part of their induction, in February 2020 the new trustees were given a site tour, a series of presentations, and an information pack introducing them to the organisation, with an emphasis on the three-year strategic plan as laid out in OWR's Postcode Lottery application.

A need to put procedures and policies in place for induction and training of the new Trustees was one area identified as a priority in 2019, but these plans were put on hold due to pressures from the COVID-19 pandemic. Social distancing restrictions in place during the COVID-19 pandemic prohibited the trustees (as well as the rest of the board) from making further site visits. As a result, the trustees are not as familiar with the staff and day-to-day operations of OWR as they might otherwise be. The board is conscious of this and plans to create more opportunities for the new trustees to have more time on site and more face-to-face contact with OWR staff and volunteers as COVID restrictions ease through 2021 and beyond.

Key management remuneration

Pay scales are set and amended by the trustees at board meetings. The CEO's pay is set by the remaining trustees.

Oxford Wood Recycling Ltd

Report of the Trustees
for the Year Ended 31 December 2020

Reference and administrative details

Registered Company number
05467959 (England and Wales)

Registered Charity number
1178214

Registered office
4 Suffolk Way
Abingdon
Oxfordshire
OX14 5JX

Trustees

Mr N P Dowling
Mr M A McCartney - Chair
Mr R J Snow
Ms S McGill
Mr Andre Vaux

Independent Examiner

Mr David Wilsdon FCCA
Association of Chartered Certified Accountants
Green Accountancy Limited
Signal Court
Old Station Way
Eynsham
Witney
Oxfordshire
OX29 4TL

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on^{29/09/2021} and signed on the board's behalf by:



.....
Mr R J Snow - Trustee

Independent Examiner's Report to the Trustees of
Oxford Wood Recycling Ltd

Independent examiner's report to the trustees of Oxford Wood Recycling Ltd ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Association of Chartered Certified Accountants which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

David Wilsdon

Mr David Wilsdon FCCA
Association of Chartered Certified Accountants
Green Accountancy Limited
Signal Court
Old Station Way
Eynsham
Witney
Oxfordshire
OX29 4TL

Date:29/09/2021.....

Oxford Wood Recycling Ltd

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2020

	Notes	Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
Income and endowments from					
Donations and legacies	2	132,108	142,072	274,180	917
Charitable activities	4				
Wood recycling		530,234	-	530,234	623,188
Investment income	3	<u>285</u>	<u>-</u>	<u>285</u>	<u>71</u>
Total		662,627	142,072	804,699	624,176
Expenditure on					
Charitable activities	5				
Wood recycling		<u>626,997</u>	<u>56,064</u>	<u>683,061</u>	<u>664,171</u>
NET INCOME/(EXPENDITURE)		35,630	86,008	121,638	(39,995)
Transfers between funds	18	<u>14,048</u>	<u>(14,048)</u>	<u>-</u>	<u>-</u>
Net movement in funds		49,678	71,960	121,638	(39,995)
Reconciliation of funds					
Total funds brought forward		<u>37,402</u>	<u>-</u>	<u>37,402</u>	<u>77,397</u>
Total funds carried forward		<u>87,080</u>	<u>71,960</u>	<u>159,040</u>	<u>37,402</u>

Continuing operations

All income and expenditure has arisen from continuing activities.

Statement of Financial Position
31 December 2020

	Notes	Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
Fixed assets					
Tangible assets	10	60,051	-	60,051	51,361
Current assets					
Stocks	11	19,019	-	19,019	21,102
Debtors	12	82,884	27,320	110,204	47,765
Cash at bank and in hand		<u>150,001</u>	<u>44,640</u>	<u>194,641</u>	<u>3,159</u>
		251,904	71,960	323,864	72,026
Creditors					
Amounts falling due within one year	13	(153,224)	-	(153,224)	(73,886)
Net current assets		<u>98,680</u>	<u>71,960</u>	<u>170,640</u>	<u>(1,860)</u>
Total assets less current liabilities		158,731	71,960	230,691	49,501
Creditors					
Amounts falling due after more than one year	14	(71,651)	-	(71,651)	(12,099)
NET ASSETS		<u>87,080</u>	<u>71,960</u>	<u>159,040</u>	<u>37,402</u>
Funds	18				
Unrestricted funds				87,080	37,402
Restricted funds				<u>71,960</u>	<u>-</u>
Total funds				<u>159,040</u>	<u>37,402</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Statement of Financial Position - continued
31 December 2020

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

The financial statements were approved by the Board of Trustees and authorised for issue on
.....^{29/09/2021}..... and were signed on its behalf by:



.....
Mr R J Snow - Trustee

Oxford Wood Recycling Ltd

Statement of Cash Flows
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	117,938	(3,657)
Interest paid		<u>(3,640)</u>	<u>(1,412)</u>
Net cash provided by/(used in) operating activities		<u>114,298</u>	<u>(5,069)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(37,358)	(34,946)
Sale of tangible fixed assets		3,334	550
Interest received		<u>285</u>	<u>71</u>
Net cash used in investing activities		<u>(33,739)</u>	<u>(34,325)</u>
Cash flows from financing activities			
New loans in year		82,000	-
Loan repayments in year		(18,475)	(10,841)
Bounce back loan		50,000	-
Capital repayments in year		<u>(2,602)</u>	<u>16,486</u>
Net cash provided by financing activities		<u>110,923</u>	<u>5,645</u>
Change in cash and cash equivalents in the reporting period		<u>191,482</u>	<u>(33,749)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,159</u>	<u>36,908</u>
Cash and cash equivalents at the end of the reporting period		<u><u>194,641</u></u>	<u><u>3,159</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2020

1. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	31.12.20 £	31.12.19 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	121,638	(39,995)
Adjustments for:		
Depreciation charges	26,257	20,295
Profit on disposal of fixed assets	(921)	(550)
Interest received	(285)	(71)
Interest paid	3,640	1,412
Decrease/(increase) in stocks	2,083	(6,829)
(Increase)/decrease in debtors	(62,439)	20,005
Increase in creditors	27,965	2,076
Net cash provided by/(used in) operations	<u>117,938</u>	<u>(3,657)</u>

2. Analysis of changes in net (debt)/funds

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	<u>3,159</u>	<u>191,482</u>	<u>194,641</u>
	<u>3,159</u>	<u>191,482</u>	<u>194,641</u>
Debt			
Finance leases	(16,486)	2,602	(13,884)
Debts falling due within 1 year	(18,169)	(50,928)	(69,097)
Debts falling due after 1 year	-	(62,599)	(62,599)
	<u>(34,655)</u>	<u>(110,925)</u>	<u>(145,580)</u>
Total	<u>(31,496)</u>	<u>80,557</u>	<u>49,061</u>

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Expenditure

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property - 25% Straight Line Basis
Plant and Machinery - 25% Straight Line Basis
Office Equipment - 25% Straight Line Basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity registered as a charity on 2 May 2018 and since that date has been exempt from corporation tax on its charitable trading activities. Prior to that date the company was trading and subject to corporation tax.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

1. Accounting policies - continued

Pension costs and other post-retirement benefits

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

Donated goods

Donated goods are sold by the charity. The sale proceeds included in trading income.

Debtors

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

Cash at bank and in hand

Cash at bank and cash 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.

Donated goods, facilities and services

The charity benefits from significant work carried out by volunteers. In 2020, the charity received 1,498 hours of volunteer work.

The charity receives the majority of its stock of wood as donations that would otherwise be thrown away, and so has negligible value.

2. Donations and legacies

	31.12.20	31.12.19
	£	£
Grants	198,567	917
Coronavirus job retention	<u>75,613</u>	<u>-</u>
	<u>274,180</u>	<u>917</u>

Grants received, included in the above, are as follows:

	31.12.20	31.12.19
	£	£
Grant for Equipment	-	917
CAF	54,639	-
Postcode Innovation	82,000	-
Postcode Trust	16,406	-
eScalate	5,433	-
Abingdon-On-Thames Town Council	900	-
Awards4All Covid19 Lottery funding	9,189	-
Oxon Community Fund	5,000	-
VoWH District Council	<u>25,000</u>	<u>-</u>
	<u>198,567</u>	<u>917</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

3. Investment income

	31.12.20	31.12.19
	£	£
Deposit account interest	<u>285</u>	<u>71</u>

4. Income from charitable activities

	Activity	31.12.20	31.12.19
		£	£
Recycle wood sales	Wood recycling	515,622	623,188
Donated Goods	Wood recycling	12,068	-
Donations received	Wood recycling	<u>2,544</u>	<u>-</u>
		<u>530,234</u>	<u>623,188</u>

5. Charitable activities costs

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Wood recycling	<u>677,265</u>	<u>5,796</u>	<u>683,061</u>

6. Support costs

	Governance costs
	£
Wood recycling	<u>5,796</u>

Support costs, included in the above, are as follows:

	31.12.20	31.12.19
	Wood recycling	Total activities
	£	£
Independent Examiner's Fee	505	500
Accountancy Fees	4,041	3,797
Legal fees	<u>1,250</u>	<u>2,013</u>
	<u>5,796</u>	<u>6,310</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Independent Examiner's Fee	505	500
Depreciation - owned assets	26,255	20,296
Surplus on disposal of fixed assets	<u>(921)</u>	<u>(550)</u>

8. Trustees' remuneration and benefits

	31.12.20	31.12.19
	£	£
Trustees' salaries	43,472	35,945
Trustees' social security	4,792	3,757
Trustees' pensions paid	<u>10,861</u>	<u>6,753</u>
	<u>59,125</u>	<u>46,455</u>

During the period Mr Richard Snow, who is a trustee, was paid the above salary during the period in his role as full time CEO for the charity.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

9. Staff costs

	31.12.20	31.12.19
	£	£
Wages and salaries	375,442	301,273
Social security costs	22,738	16,457
Other pension costs	<u>12,936</u>	<u>9,106</u>
	<u>411,116</u>	<u>326,836</u>

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
	<u>21</u>	<u>26</u>
Recycle wood employees		

No employees received emoluments in excess of £60,000.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**10. Tangible fixed assets**

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
Cost				
At 1 January 2020	15,881	102,388	7,185	125,454
Additions	27,861	7,340	2,157	37,358
Disposals	-	(9,650)	-	(9,650)
At 31 December 2020	<u>43,742</u>	<u>100,078</u>	<u>9,342</u>	<u>153,162</u>
Depreciation				
At 1 January 2020	2,755	66,013	5,325	74,093
Charge for year	10,247	14,642	1,366	26,255
Eliminated on disposal	-	(7,237)	-	(7,237)
At 31 December 2020	<u>13,002</u>	<u>73,418</u>	<u>6,691</u>	<u>93,111</u>
Net book value				
At 31 December 2020	<u>30,740</u>	<u>26,660</u>	<u>2,651</u>	<u>60,051</u>
At 31 December 2019	<u>13,126</u>	<u>36,375</u>	<u>1,860</u>	<u>51,361</u>

11. Stocks

	31.12.20 £	31.12.19 £
Stocks	<u>19,019</u>	<u>21,102</u>

12. Debtors: amounts falling due within one year

	31.12.20 £	31.12.19 £
Trade debtors	40,031	34,957
Grants receivable	54,640	-
Rent deposit	10,500	10,500
Gift aid receivable	1,353	-
Prepayments	<u>3,680</u>	<u>2,308</u>
	<u>110,204</u>	<u>47,765</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

13. Creditors: amounts falling due within one year

	31.12.20	31.12.19
	£	£
Bank loans and overdrafts (see note 15)	50,000	-
Other loans (see note 15)	19,097	18,169
Hire purchase (see note 16)	4,832	4,387
Trade creditors	19,667	22,495
Social security and other taxes	6,223	5,308
Pensions payable	2,592	1,704
VAT	38,451	16,422
Other creditors	2,657	702
Accrued expenses	9,705	4,699
	<u>153,224</u>	<u>73,886</u>

14. Creditors: amounts falling due after more than one year

	31.12.20	31.12.19
	£	£
Other loans (see note 15)	62,599	-
Hire purchase (see note 16)	9,052	12,099
	<u>71,651</u>	<u>12,099</u>

15. Loans

An analysis of the maturity of loans is given below:

	31.12.20	31.12.19
	£	£
Amounts falling due within one year on demand:		
Bank loans	50,000	-
Other loans	19,097	18,169
	<u>69,097</u>	<u>18,169</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	16,045	-
Amounts falling due between two and five years:		
Other loans - 2-5 years	46,554	-

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

16. Leasing agreements

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.12.20	31.12.19
	£	£
Net obligations repayable:		
Within one year	4,832	4,387
Between one and five years	<u>9,052</u>	<u>12,099</u>
	<u>13,884</u>	<u>16,486</u>
	Non-cancellable operating leases	
	31.12.20	31.12.19
	£	£
Within one year	22,376	-
In more than five years	<u>-</u>	<u>41,491</u>
	<u>22,376</u>	<u>41,491</u>

17. Secured debts

The following secured debts are included within creditors:

	31.12.20	31.12.19
	£	£
Industrial Common Ownership	<u>-</u>	<u>12,144</u>

18. Movement in funds

	At 1.1.20	Net movement	Transfers between funds	At 31.12.20
	£	in funds	£	£
Unrestricted funds				
General fund	37,402	35,630	14,048	87,080
Restricted funds				
CAF Grant	-	27,320	-	27,320
eScalate Grant	-	5,433	-	5,433
Postcode Innovation Grant	<u>-</u>	<u>53,255</u>	<u>(14,048)</u>	<u>39,207</u>
	<u>-</u>	<u>86,008</u>	<u>(14,048)</u>	<u>71,960</u>
TOTAL FUNDS	<u>37,402</u>	<u>121,638</u>	<u>-</u>	<u>159,040</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

18. Movement in funds - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	662,627	(626,997)	35,630
Restricted funds			
CAF Grant	54,640	(27,320)	27,320
eScalate Grant	5,433	-	5,433
Postcode Innovation Grant	81,999	(28,744)	53,255
	<u>142,072</u>	<u>(56,064)</u>	<u>86,008</u>
TOTAL FUNDS	<u>804,699</u>	<u>(683,061)</u>	<u>121,638</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	72,397	(34,995)	37,402
Restricted funds			
Restricted grants	5,000	(5,000)	-
	<u>77,397</u>	<u>(39,995)</u>	<u>37,402</u>
TOTAL FUNDS	<u>77,397</u>	<u>(39,995)</u>	<u>37,402</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	624,176	(659,171)	(34,995)
Restricted funds			
Restricted grants	-	(5,000)	(5,000)
	<u>624,176</u>	<u>(664,171)</u>	<u>(39,995)</u>
TOTAL FUNDS	<u>624,176</u>	<u>(664,171)</u>	<u>(39,995)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

18. Movement in funds - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	72,397	635	14,048	87,080
Restricted funds				
Restricted grants	5,000	(5,000)	-	-
CAF Grant	-	27,320	-	27,320
eScalate Grant	-	5,433	-	5,433
Postcode Innovation Grant	-	53,255	(14,048)	39,207
	<u>5,000</u>	<u>81,008</u>	<u>(14,048)</u>	<u>71,960</u>
TOTAL FUNDS	<u>77,397</u>	<u>81,643</u>	<u>-</u>	<u>159,040</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,286,803	(1,286,168)	635
Restricted funds			
Restricted grants	-	(5,000)	(5,000)
CAF Grant	54,640	(27,320)	27,320
eScalate Grant	5,433	-	5,433
Postcode Innovation Grant	81,999	(28,744)	53,255
	<u>142,072</u>	<u>(61,064)</u>	<u>81,008</u>
TOTAL FUNDS	<u>1,428,875</u>	<u>(1,347,232)</u>	<u>81,643</u>

19. Related party disclosures

There were no related party transactions for the year ended 31 December 2020.