Charity Registration No. 1192660

Company Registration No. 03523786 (England and Wales)

BRIGHTON & HOVE WOOD RECYCLING PROJECT

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

BRIGHTON & HOVE WOOD RECYCLING PROJECT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P West D Nobbs P Smithson J McNulty
Charity number	1192660
Company number	03523786
Registered office	104 Westfield Crescent Brighton East Sussex BN1 8JA
Independent examiner	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU

BRIGHTON & HOVE WOOD RECYCLING PROJECT

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BRIGHTON & HOVE WOOD RECYCLING PROJECT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees have pleasure in announcing that the Charity Commission for England and Wales has granted Brighton & Hove Wood Recycling Project (“BHWRP” or “the project”) permission to register as a charity.

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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
BHWRP operates under the following objects:

To promote for the benefit of the public the conservation protection and improvement of the physical and natural environment by:

- Diverting re-usable timber away from landfill and incineration, and promoting recycling of waste wood in East and West Sussex, in line with national waste policy seeking to establish a circular economy
- Raising public awareness of environmental matters related to re-use and recycling of household and industrial waste and the place of wood recycling in the circular economy

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Volunteering
The project was disappointed to have to close the project to volunteers during 2020/21, especially after 2019/20 proved to be one of the best years for volunteer engagement due to the increase in one-to-one training and support offered to volunteers after improvements to the organisation of the workshop and the workshop team.

New premises have been found in central Brighton and historic volunteers have now been contacted and re-deployed, if they are still available, and new volunteers have been joining the charity. These volunteers will be trainees within the project. The workshop has also re-opened and volunteers are once again able to produce many different types of furniture, unsupervised, once the necessary training has been delivered. The most popular items remain simple coffee tables, bookshelves and bespoke tables.

Volunteers will continue to be drawn from various backgrounds which includes people with autism/ Asperger’s syndrome, learning difficulties, long-term unemployment, recovery from drug and alcohol dependency and mental health conditions such as depression.

Volunteers work chiefly in the workshop, preparing timber and learning the skills for all aspects of furniture production going on to making the full range of items offered by the project. Some volunteers have worked on commercial construction jobs at the clients’ premises. Other volunteers choose to be involved in administration, retail or store management and are therefore customer facing.

BHWRP will be restarting its woodworking courses in both bench joinery and site work and this has been highly subscribed to by existing volunteers.

Achievements and performance

Company activities

During 2020-21, BHWRP operated from warehouse premises in Ringmer having lost its retail premises in March 2020 as the Covid pandemic was beginning. Negotiations on finding new retail premises were severely hampered by the pandemic but a new building was found early in the financial year 2021/22.

Public Benefit Reporting

The directors of the company are trustees of the charitable company. They confirm that they have given due regard to the Charity Commission guidance on public benefit while setting objectives and activities of the project and these are in line with both the existing and future objects of the company, the latter which have been deemed charitable by the Charity Commission.

Environmental Benefit Reporting

BHWRP has diverted 367 tonnes of timber from the waste stream during the accounting year. Of this, 146 tonnes have been re-used in DIY projects and manufactured furniture products and a further 221 tonnes have been sent for recycling as particle board, animal bedding and carbon neutral fuels. This has saved 183 tonnes of carbon dioxide from entering the atmosphere. This is substantially less than previous years due to the Covid-19 pandemic but early indications are that the year 2021/22 will be much improved.

Social Benefit Reporting

The project continues to raise public awareness of re-use and recycling. During the accounting year, the project has created or sustained 10 paid jobs but was unable to train volunteers in collections, customer service, joinery and carpentry to the pandemic. This has restarted in 2021/22.

Operational Activities

BHWRP is now registered as a charity and has undertaken the following operational activity in pursuit of its objects.

Workshop and Furniture Production

During the year ended 31st March 2021, the workshop operated from the charity's Ringmer site and from occasional hired premises due to the loss of the charity's operational site in March 2020. The pandemic affected the production of furniture and other items and therefore sales have been significantly suppressed during this reporting year with the charitable business either closed or operating on minimal staff for much of the year.

However, the high quality furniture range was maintained and includes "live" edge timber designs and a larger range of finishes from various painting techniques to high quality waxed or polished finishes. Tables remained the most popular constructed retail item and a number of commercial jobs were undertaken. New clients include Lewes District Council as well as other high-profile local customers attracted to BHWRP by both the quality of the product and a desire to support the social and environmental outputs of the project.

Collections

Commercial wood collections from construction sites remains the main income driver for the project providing raw materials for manufacturing products and for retail. Most collections come from large national construction companies (80%) and are brokered via the national Community Wood Recycling organisation of which BHWRP is a member but the project also enjoys good relations with smaller more local construction firms (20%). BHWRP staff hold CSCS certification in order to access these sites.

The Yard
Wood returning from collections goes directly to the yard where it is prepared and sorted prior to it being sent to the shop for sale when a retail unit is in place. During the financial year the materials were stored at the yard for selling directly to customers over the internet and to be made into new products, also sold on-line. The preparation of product involves de-nailing and sorting the timber into sizes and type.

The project also continues to develop good recycling options for wood that cannot be re-used and this is sold commercially for animal bedding, heat and power production, chipping and wood pulp.

Retail
Shop retail activity involves selling reclaimed timber and generic product lines as well as organising the interface with the public. The shop takes orders for bespoke items to be constructed and covers the telephone for orders and other correspondence. During this reporting year, all retail was conducted over the internet, or via telephone, with customers either paying for their orders to be delivered or collecting from the premises as Covid regulations allowed. As with many charities and businesses, the pandemic has led to a sharp contraction in sales which has strongly impacted the charity.

Loss of Premises and New Premises
BHWRP closed its retail premises at Elder Place at the end of March 2020 on the expiration of the lease. The world pandemic hampered the search for new premises both before and after the end of the lease and the project has had to operate exclusively from its Ringmer premises during 2020/21. This impacted on both earnings and staff numbers due to the lack of workshop facilities and an active retail environment. At the time of writing this report, new premises have been found and refurbished in the heart of Brighton. These are highly visible premises with large shop windows, a spacious retail environment and room for workshops. The project fully expects a substantially better year ahead.

Changes to Staffing
Like many charities and businesses, the project had to close for a period of time due to Covid-19 regulations. The charity took advantage of the government's furlough scheme and thereby lost only one member of staff to redundancy.

At the end of the March 2021, staffing stood at 11 people working across retail, collections, the workshop and wood preparation. It is hoped the staff team will grow again in the new premises as income expands post pandemic.

Financial review

Financial Outturns

These new developments aided the project in growing its income during 2019/20 and have significantly improved the morale amongst staff and volunteers who have responded with pride to the increasing success and relevance of the project as well as the opportunity to learn more about materials that are not often used.

However, income decreased dramatically due to the Covid-19 pandemic during the financial year 2020/21: £237,442 (2019: £425,108). Despite income from the government's furlough scheme which supported salary payments, the charity registered a deficit of £45,009, which included a sum of approximately £19,000 for a redundancy payment.

Financial Policy and Financial Outlook

It is the policy of the directors to cover all operational expenses with a combination of sales, grants, fees, investments and fundraising income. To these ends a budget for premises refurbishment and for operating during 2021/22 has been published which has undergone significant scrutiny at both a managerial and board level.

While the charity will have acceptable reserves at the beginning of the financial year 2021/22, much of the remaining funds will be spent on refurbishing the new premises and supporting employment as the government's furlough scheme ends and while the business recovers from the pandemic.

It is hoped that these reserves will grow during the second part of the financial year as trading returns to normal levels and the project is able to reach a wider audience of potential customers. This will allow unrestricted reserves to be rebuilt.

Reserves policy

The board of directors, understanding their obligations to the health of the business, their statutory duty to staff in the case of redundancies and their new responsibilities as trustees of a charitable company have put a policy in place relating to reserves and agreed to make the following designations of funds:

- New premises improvement fund: £50,000
- Partial deposit for the acquisition of new premises: £50,000
- A redundancy fund against the need to close the business: £30,000
- Business wind up costs: £5,000
- Replacement vehicle fund: £15,000

These designations total £150,000 leaving enough liquidity to ensure cashflow for on-going operational activities for a minimum period of a three months.

Investment policy and objectives

The trustees are responsible for the financial stewardship of the charitable company. At present, the company holds all financial assets as liquid assets in bank accounts. To ensure the security of the funds, these are spread between different financial institutions and are held at levels equal to or below the current FSCS thresholds.

Trustees have agreed to open the new premises and refurbish it so that it operates as a highly effective retail and workshop environment. This will entail a substantial investment of reserve funding but will ensure a realistic future for the project. It is hoped that the project will be able to occupy this new location for several years to come where a surplus can be realised and ultimately used to buy a premises, safeguarding the project in perpetuity and allowing the new charity to maximise public benefit. In the interim, the trustees will consider making longer term investments to safeguard the charity's financial reserves against buying a suitable premises, once the company once again returns to making a surplus.

The trustees will continue to maintain bank accounts with sufficient funds in liquid form to meet any cashflow or other financial needs in an appropriate timeframe.

Risk Assessment and Management
The trustees are aware of their responsibility to ensure that significant risks to which the company is exposed are identified and to establish systems to manage those risks. The trustees review the major risks to which the Charity is exposed on a regular basis and systems are implemented wherever possible to mitigate these risks. The trustees believe that there is a satisfactory system of internal controls, which are also reviewed on a regular basis. The highest risk at present is the need to address the on-going deficit and progress is being made to reduce this as explained elsewhere in the report, most importantly exiting from the effects of Covid-19 with the business intact and with a new premises in place and generating a surplus.

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Plans for the Future
Improved Trading from New Premises
The project was delighted to be registered as a charity in England and Wales during this reporting year. New premises were found in Edward Street, in central Brighton, during the year and a lease was signed early in accounting year 2021/22.

The new premises are highly visible and have an excellent area for both retail and a workshop. The project will conduct its operations from this location and seeks to expand the range of products sold, both the refurbished wood lengths themselves and products manufactured from waste wood. In addition, a larger range of fixings and decorative ironmongery will also be sold to support the charitable purposes of the organisation.

The project will seek to surpass the number of volunteers with which it has worked in previous years and expand its appeal to a wider audience with the express purpose of meeting both its charitable objects but improving its financial position since reserves have been significantly depleted due to the Covid-19 pandemic and through designation for refurbishing the new premises.

Structure, governance and management
Governing document
The company is controlled by its governing document and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:
Mr P West
D Nobbs
P Smithson
J McNulty

Recruitment and Appointment of Directors
BHWRP is administered by a Board of Directors. Directors are appointed by the Board. There is a set period of three years as a tenure of office. New Board members are provided with a pack of information containing details of the constitution of the Company, budgets, minutes of recent Board meetings and papers dealing with key current issues, which can then be discussed in detail with other Board members. Trustees meet at least three times a year.

Due Diligence
The trustees regularly review the terms and conditions of external service providers. During the next accounts period the trustees will review the staffing structure and suppliers of services in a bid to ensure the project is as financially efficient as possible.

Organisational Structure
Brighton & Hove Wood Recycling Project is operated by the board of trustees who employ a Managing Director who is also a trustee. This role is for one day a week and is under review now that the business has been registered successfully as a charity. The project also employs a General Manager who is responsible for the day to day operation of the charitable business. The charity also employs a Collections Manager who oversees the collection of waste wood, a Workshop Supervisor who is in charge of the workshop and organising the manufacture of product and a Retail Supervisor who oversee the shop. These managers and supervisors are highly operational and are supported by a team of operational staff who report directly to them.

Trustee induction and training
The company is developing an induction programme for new directors and has regard to the ongoing need for director training as the organisation transitions to becoming a charity. This includes the provision of up to date information on charity governance together providing trustees with a copy of the Charity commission publication: “The Essential Trustee”.

The trustees' report was approved by the Board of Trustees.

.....
Mr P West
Trustee
Dated: ..2ND SEPTEMBER 2021.

BRIGHTON & HOVE WOOD RECYCLING PROJECT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Brighton & Hove Wood Recycling Project for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRIGHTON & HOVE WOOD RECYCLING PROJECT

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BRIGHTON & HOVE WOOD RECYCLING PROJECT

I report to the trustees on my examination of the financial statements of Brighton & Hove Wood Recycling Project (the charitable company) for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable 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 the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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 that in any material respect:

1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or

2 the financial statements do not accord with those records; or

3 the financial statements 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 financial statements 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 financial statements to be reached.

M A Filsell FCA, on behalf of
Knill James LLP

One Bell Lane
Lewes
East Sussex
BN7 1JU

Dated: .....

BRIGHTON & HOVE WOOD RECYCLING PROJECT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	Unrestricted funds general 2020 £
Income and endowments from:					
Charitable activities	**3**	178,857	-	178,857	420,527
Investments	**4**	760	-	760	1,100
Other income	**5**	57,825	-	57,825	3,481
Total income		237,442	-	237,442	425,108
Expenditure on:					
Raising funds	**6**	3,945	-	3,945	3,492
Charitable activities	**7**	278,506	-	278,506	443,439
Total resources expended		282,451	-	282,451	446,931
Net outgoing resources before transfers		(45,009)	-	(45,009)	(21,823)
Gross transfers between funds		(150,000)	150,000	-	-
Net expenditure for the year/ Net movement in funds		(195,009)	150,000	(45,009)	(21,823)
Fund balances at 1 April 2020		234,659	-	234,659	256,482
Fund balances at 31 March 2021		39,650	150,000	189,650	234,659

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BRIGHTON & HOVE WOOD RECYCLING PROJECT

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	**11**		11,241		15,584
Current assets					
Stocks	**12**	13,278		8,532	
Debtors	**13**	35,455		44,806	
Cash at bank and in hand		142,752		198,250	
		191,485		251,588	
Creditors: amounts falling due within one year	**14**	(13,076)		(29,552)	
Net current assets			178,409		222,036
Total assets less current liabilities			189,650		237,620
Provisions for liabilities	**15**		-		(2,961)
Net assets			189,650		234,659
Income funds					
Unrestricted funds					
Designated funds	**16**	150,000		-	
General unrestricted funds		39,650		234,659	
			189,650		234,659
			189,650		234,659

BRIGHTON & HOVE WOOD RECYCLING PROJECT

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 2ND SEPTEMBER 2021

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Mr P West
Trustee

Company Registration No. 03523786

1 Accounting policies

Charity information

Brighton & Hove Wood Recycling Project is a private company limited by guarantee incorporated in England and Wales. The registered office is 104 Westfield Crescent, Brighton, East Sussex, BN1 8JA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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 charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies **(Continued)**

1.5 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.

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

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on estimated usage as a proportion of directly attributable expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	15% reducing balance basis
Computers	20% straight line basis
Motor vehicles	25% reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

	Waste wood	Workshop and education	Total	Waste wood	Workshop and education	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Income from charitable activities	153,385	16,168	169,553	322,085	63,491	385,576
Ancillary trading income	9,304	-	9,304	34,951	-	34,951
	162,689	16,168	178,857	357,036	63,491	420,527

4 Investments

	Unrestricted funds general 2021	Unrestricted funds general 2020
	£	£
Interest receivable	760	1,100

5 Other income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Coronavirus job retention scheme	57,825	-
Other income	-	3,481
	57,825	3,481

6 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Fundraising and publicity		
Staff costs	3,945	3,492
	3,945	3,492

7 Charitable activities

	Waste wood & ancillary trading 2021	Workshop and education 2021	Total 2021	Waste wood & ancillary trading 2020	Workshop and education 2020	Total 2020
	£	£	£	£	£	£
Staff costs	143,307	52,982	196,289	135,055	85,277	220,332
Depreciation and impairment	1,926	-	1,926	4,074	-	4,074
Wood purchase	10,025	4,297	14,322	36,982	15,849	52,831
Firewood & coal	4,074	1,746	5,820	7,216	3,092	10,308
Chipping & disposal	10,533	4,514	15,047	18,265	7,828	26,093
Giftware & incidentals	770	330	1,100	11,755	5,038	16,793
Other direct costs	-	-	-	1,292	554	1,846
Couriers	1,190	510	1,700	91	39	130
Workshop expenses	-	2,248	2,248	-	9,666	9,666
	171,825	66,627	238,452	214,730	127,343	342,073
Share of support costs (see note 8)	22,888	10,667	33,555	65,700	28,157	93,857
Share of governance costs (see note 8)	4,549	1,950	6,499	5,256	2,253	7,509
	199,262	79,244	278,506	285,686	157,753	443,439

8 Support costs

	Support costs	**Governance costs**	**2021**	Support costs	Governance costs	2020
	£	**£**	**£**	£	£	£
Temporary staff and recruitment	28	-	28	1,573	-	1,573
Rates	(12,027)	-	(12,027)	28,961	-	28,961
Rent	3,853	-	3,853	6,478	-	6,478
Travel	1,082	-	1,082	2,459	-	2,459
Motor expenses	16,262	-	16,262	22,408	-	22,408
Staff training and welfare	492	-	492	3,248	-	3,248
Telephone and IT	1,285	-	1,285	2,011	-	2,011
Light and heat	1,487	-	1,487	3,389	-	3,389
Insurance	7,749	-	7,749	6,900	-	6,900
Repairs and maintenance	1,819	-	1,819	5,035	-	5,035
Marketing	9,858	-	9,858	3,309	-	3,309
Printing, postage & stationery	369	-	369	1,309	-	1,309
Subscriptions	140	-	140	73	-	73
Bank Charges	3,918	-	3,918	4,518	-	4,518
Sundry Expenses	(2,760)	-	(2,760)	2,186	-	2,186
Independent examiner/ accountancy fees	-	1,688	1,688	-	1,083	1,083
Legal and professional	-	2,901	2,901	-	3,749	3,749
Bookkeeping fees	-	1,910	1,910	-	2,609	2,609
Management fees	-	-	-	-	68	68
	33,555	6,499	40,054	93,857	7,509	101,366
Analysed to Charitable activities	33,555	6,499	40,054	93,857	7,509	101,366

Governance costs includes payments to the independent examiner of £1,500 (2020 - £nil) for examination fees.

9 Trustees

One of the trustees received remuneration of £10,525 from the charitable company during the year.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Employees under contract	12	15

Employment costs	2021 £	2020 £
Wages and salaries	191,082	211,017
Social security costs	6,961	9,398
Other pension costs	2,191	3,409
	200,234	223,824

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	917	2,270	40,485	43,672
Disposals	-	-	(14,825)	(14,825)
At 31 March 2021	917	2,270	25,660	28,847
Depreciation and impairment				
At 1 April 2020	316	1,045	26,727	28,088
Depreciation charged in the year	90	454	3,320	3,864
Eliminated in respect of disposals	-	-	(14,346)	(14,346)
At 31 March 2021	406	1,499	15,701	17,606
Carrying amount				
At 31 March 2021	511	771	9,959	11,241
At 31 March 2020	601	1,225	13,758	15,584

12 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	13,278	8,532

13 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	20,796	25,889
Other debtors	4,500	10,200
Prepayments and accrued income	10,159	8,717
	35,455	44,806

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	6,249	18,583
Trade creditors	4,896	8,022
Other creditors	380	580
Accruals and deferred income	1,551	2,367
	13,076	29,552

15 Deferred taxation

Deferred tax assets and liabilities are offset where the charitable company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021	Liabilities 2020
Balances:	**£**	**£**
Tax losses	-	2,961

	2021
Movements in the year:	**£**
Liability at 1 April 2020	2,961
Credit to profit or loss	(2,961)
Liability at 31 March 2021	-

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			
	Incoming resources	Balance at 1 April 2020	Transfers	Balance at 31 March 2021
	£	£	£	£
Premises improvement fund	-	-	50,000	50,000
Deposit for new premises	-	-	50,000	50,000
Redundancy fund	-	-	30,000	30,000
Replacement vehicle fund	-	-	15,000	15,000
Business wind-up fund	-	-	5,000	5,000
	-	-	150,000	150,000

17 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £	Unrestricted funds 2020 £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	11,241	-	11,241	15,584
Current assets/(liabilities)	28,409	150,000	178,409	222,036
Provisions	-	-	-	(2,961)
	39,650	150,000	189,650	234,659

18 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).