Charity registration number 1192660

Company registration number 03523786 (England and Wales)

BRIGHTON & HOVE WOOD RECYCLING PROJECT

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

BRIGHTON & HOVE WOOD RECYCLING PROJECT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P R W West Mr D C V Nobbs Mr P M Smithson Mr J P 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 2022

The Directors have the pleasure of announcing that this is the first full year that Brighton & Hove Wood Recycling Project ("BHWRP" or "the project") has been trading as a charity (as registered in England and Wales).

The trustees present their report and financial statements for the year ended 31 March 2022.

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 [governing document], 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

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.

Achievements and performance

Company activities

In May 2021, BHWRP took possession of new premises at Oakley House, Edward Street, Brighton BN2 0BA, an essential development as the Project had lost its previous main premises in March 2020 when the meanwhile lease ended at the beginning of the first Covid lockdown. During the height of the Covid pandemic, the organisation was without main premises and continued a skeletal trade from its storage site near Ringmer; spot purchasing workshop space when Covid restrictions allowed and taking orders over the telephone for Covid safe delivery. This significantly reduced trading led to a deficit of £45,009 in 2020/21 despite the charity making full use of the government's furlough scheme.

Starting accounting year 2021/22 with new premises, just as Covid lockdowns eased, has been essential to the Project as it sought to recover from Covid and restore its retail presence and undertake its charitable objects.

Happily, the new premises in Brighton are the best that the Project has ever occupied during its 24 years of operation with space for offices, workshop, a showroom, and plentiful space for a wood yard and storage. The premises was formerly used as a motor repair garage and then an outboard motor repair and sales centre. This corner unit offers a showroom with two glass elevations, with loading and parking, and is situated on a main city bus artery. The Project has entered into a two year lease with Brighton & Hove City Council Housing Services with an extension to be negotiated. The site is shared with 6 council flats and has been offered at a very favourable rent as the Council seeks to support a trustworthy key charitable business in the local circular economy. The property had been under utilised by the former leaseholder for some time and BHWRP's possession has allowed for improved security at the site and its presence has led to a decrease in antisocial behaviour - a significant benefit to the Council, its residential tenants and other neighbours.

The premises required significant investment by the Council and the Project to make it fit for purpose. The Project invested (£66,060), £50,000 of which had been designated by trustees from unrestricted reserves and £10,000 of which came from a very successful Crowdfunder campaign, with additional funds re-purposed for a new vehicle. The premises now boasts an excellent retail environment with windows on two of the four sides displaying the Projects goods and manufactured furniture, a fully equipped workshop, rest area for staff, trainees and volunteers and other amenities as described above.

This superb visibility, coupled with vigorous marketing being undertaken in-house, has increased revenue during 2021/22 but the revenue has yet to return to pre-pandemic levels. The Project has re-deployed its staff to appropriate roles in the new premises and trade has been increasing. Regrettably, 2021/22 has seen another financial deficit. The project should transition back to surplus as trade continues to increase in 2022/23 and vigorous fundraising has started.

BHWRP continues to maintain its non-retail premises in Ringmer which consists of a storage site for processing wood before resale via the Brighton premises and by telephone or internet ordering. This is not a retail environment but the project is in discussions to open a better storage facility elsewhere on the site during 2022/23 which will also allow for retailing, thereby growing the charitable business and generating extra income for its charitable purposes.

Environmental Benefit Reporting
BHWRP has diverted 497.4 (2020/21: 366.8) tonnes of timber from the waste stream during the accounting year, a significant increase coming out of the Covid pandemic. Of this, 126.6 (2020/21: 183.0) tonnes have been re-used by local trade and DIY customers, and manufactured furniture products; and a further 370.9 (2020/21: 221.1) tonnes have been sent for recycling as particle board, animal bedding and carbon neutral fuels. This has saved 248.0 tonnes of carbon dioxide from entering the atmosphere. This environmental benefit should continue to grow in 2022/23 as trading further returns to pre-pandemic levels and hopefully beyond.

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 10.4 (2020/21: 10.3) full time equivalent paid jobs and has worked with 117 (2020/21: zero) volunteers/ trainees. These numbers will continue to grow in 2022/23.

The Project provides social benefit by making timber available at excellent prices both to the trade (⅓ less than mainstream suppliers) and to the public for DIY and community projects. Most notable, however, is the work undertaken with volunteers and trainees, most of whom are both socially and financially excluded before starting work at the Project. More on volunteering can be found below.

Operational Activities
BHWRP has been a registered charity for the whole of the accounting year and has undertaken the following operational activity in pursuit of its objects.

Workshop and Furniture Production
During the year ended 31st March 2022, the workshop operated from the charity's Ringmer site until the new Brighton premises was refurbished and ready for opening. The new workshop opened in July 2021 and has completely transformed the Project's ability to produce both generic and bespoke furniture items. Retail commenced from the new premises in June 2021. The project needs to substantially increase revenue generated by the workshop to ensure its future sustainability and progress forwards is well under way. New dust extractors and other health and safety equipment have been sourced for the project and further equipment will need to be acquired in 2022/23.

Examples of the high quality furniture range produced can be seen on the charity's website and includes tables and bookshelves constructed from scaffold boards and "live" edge timber designs and a large range of finishes from various painting techniques to high quality waxed or polished finishes. Tables remained the most popular constructed retail item and their construction provides an ideal learning item for trainees in carpentry.

Commercial Work
BHWRP undertakes commercial work when requested and wishes to develop this area of work significantly in the coming years both to grow the number of opportunities for trainees to learn carpentry skills but also to provide a new income stream to the charity as it seeks to become financially sustainable. To this end the position of Business Development Manager has been created and a key staff member has been deployed into the role. Funding is being sought to support this role and therefore pump prime business growth during 2022/23.

Clients are attracted to BHWRP by both the quality of the product and a desire to support the social and environmental outputs of the project. During the accounting year 2021/22, clients have included Lewes District Council who commissioned the construction of café furniture and The Trading Post (coffee roasters and coffee shop) which also commissioned café tables. Glyndebourne Opera bought a large volume of reclaimed pallet slats for set building and Varndean School commissioned book shelving for their library.

Collections
Commercial wood collections from construction sites remains the largest income driver for the project providing raw materials for manufacturing products and for retail earning £96,600 during 2021/22. As with previous years, most collections come from large national construction companies and are brokered via the national Community Wood Recycling organisation of which BHWRP is a member. The Project also enjoys good relations with smaller more local construction firms. This year, BHWRP has increased its local collections, seeking out new customers to ensure good and regular supplies of timber. Growth of smaller local collections is set to continue in 2022/23. Construction is one of the first industries to feel the effects of any recession and it remains to be seen what a recession in the UK will look like in the months ahead and how this will effect BHWRP. Therefore it is essential that the project continues to diversify the number of organisations from which it collects waste wood to weather any possible recession.

Timber Yard
Wood returning from collections goes directly to the Ringmer site where it is prepared, sorted and stored prior to it being sent to the retail outlet in Brighton. Stock is held here for selling directly to customers, over the internet via the e-commerce section of the website or telephone orders. This area of commercial activity needs to be rapidly developed to increase revenue streams in 2022/23 and beyond. Similarly, stock is taken to Brighton to be manufactured into new products and sold as timbers in the retail unit. The preparation of the product involves de-nailing and sorting the timber into sizes and type and grading it in quality for re-sale.

The project also continues to develop good recycling options for wood that cannot be re-used and this is sent for processing as 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, the Business Development Manager has been busy re-starting the operation post Covid and building the workshop team of volunteers and trainees as well as paid supervisors to meet requested output. He has also spent considerable time working with retail staff, teaching them how to display items and interface with prospective customers in order to increase sales to a maximum. Sales follow a yearly cycle with the summer months often showing a slowdown. However sales have been growing steadily from opening in June 2021 (£15,000) to approaching £25,000 in some months. The Project seeks to return sales to a minimum of £35,000 per month, preferably as quickly as accounting year 2022/23 and then improve on this figure.

Changes to Staffing
The project re-opened after the Covid pandemic with twelve staff. This has since risen to fourteen staff at March 2022 and will rise further in 2022/23 as the charitable business re-establishes itself in the community. Staff are a mixture of full and part time and as at March 2022 there is a 10.4 full time equivalent (FTE) staffing compliment working across retail, collections, the workshop and wood preparation.

Volunteering
The project was disappointed to have to close to volunteers during the 2020/21 Covid lockdowns, 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 workshop and the workshop team.

Now open in new premises, the volunteer/ trainee programme has been re-established and BHWRP has worked with 117 volunteers during the accounting year 2021/22 (2020/21: Zero due to Covid) which equates to approximately 7,220 hours of time donated. This is increasing sharply in 2022/23 and the Project looks forward to reporting improved outcomes as it grows.

All volunteers are trainees within the project. Most volunteers work in the workshop and produce many different types of furniture, under reduced supervision once the necessary training has been delivered. The most popular items remain simple coffee tables, bookshelves and bespoke tables. Some trainees have also been able to work on commercial construction jobs at the clients' premises.

Volunteers will continue to be drawn from various backgrounds which includes those with autism/ Asperger's syndrome, learning difficulties, long-term unemployment, recovering from drug and alcohol dependency and mental health conditions such as depression. The Project continues to seek out new referral agencies and organisations widening its ability to work with beneficiaries who are experiencing social and financial exclusion.

Volunteering/ trainee opportunities also exist in administration, as well as retail, providing opportunities to learn different skill sets. The Project works closely with trainees, trying to ensure they make a positive progression to paid work, further training or another volunteer placement with another organisation as part of its commitment to social value. BHWRP remains committed to employing former volunteers when roles become vacant at the Project. During the accounting year, two former trainees have become carpenters in their own businesses.

Financial review

Financial Outturns

During 2021/22, income has increased to £367,357 (2020/21: £237,442) with the opening of the new premises and with the economy beginning to recover from the Covid pandemic lockdowns.

Expenditure was £393,414 (2020/21: £282,451), again an increase in line with increased activity. This generated a reduced deficit for the accounting year of £26,057 (2020/21: £45,009). This is to be addressed in 2022/23 and it is hoped the charity will again return a surplus.

Current Assets

As the charity has returned to full trading from new premises during the accounting year, the amount of funds held as stock, £22,297 (2020/21: £13,278) waiting for sale and trade debtors, £45,048 (2020/21: £35,455) has grown significantly and are therefore not available to the charity as cash.

Fixed Assets

At present the charity is carrying £63,824 as fixed assets (2020/21: £11,241) due to the acquisition of a new vehicle, some IT equipment and considerable investment in leasehold improvements.

Cash at bank and in hand

The charity held £52,067 cash on March 31st 2022 (2020/21: £142,752) which is sufficient to cashflow the charitable company but not sufficient to make strategic investments, therefore funding will be sought from charitable trusts and other grant making bodies.

Funding Designations

Trustees have reviewed funding designations during the accounting year having spent monies designated for premises improvement and the deposit fund for new premises. At present all designations are for business wind up costs. Trustees have increased the redundancy fund to reflect reality were the business required to close.

Restricted Funding

During the accounting year, BHWRP has received grant money as follows.

- £500 from the Arnold Clark Foundation that was spent on leasehold improvements
- £5,000 from Sussex Community Foundation of which £828 was remaining at 31st March 2022. This was for IT equipment and to support the volunteers and trainees.
- £11,030 for leasehold improvements, most derived from a Crowd Funder campaign.

Unrestricted Funds

Unrestricted funds stand at £97,131 which is exclusively fixed assets at £63,824 and current assets of £33,307. The figure for current assets include funds held in bank accounts as well as funds tied up in debtors and stocks**.**

Fundraising Objectives

During accounting year 2022/23, trustees have set the following targets for fundraising:

- £30,000 to support the role of the Business Development Manager and to fund marketing and business planning
- £10,000 to support the volunteering/ trainee programme
- £10,000 towards a new vehicle which will allow for the fleet to be expanded to meet increased demand.

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 this end, a budget for operating during 2022/23 has been published which has undergone significant scrutiny at both a managerial and board level.

The Project seeks to return sales to a minimum of £35,000 per month, preferably as quickly as accounting year 2022/23 and then improve on this figure. During 2023/24, it is planned to return the Project to pre-Covid levels of income, £450-475,000 per annum, before any fundraising or new developments/ business growth have been factored into the total.

Financial reserves are significantly depleted as of March 2022 and trustees will be seeking to grow unrestricted reserves to ensure the on-going viability of the project and ultimately to buy a premises (on mortgage) where BHWRP and other projects can operate. At present, this remains an aspiration.

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:

- A redundancy fund against the need to close the business: £45,634
- Business wind up costs: £5,000
- Replacement vehicle fund: £15,000

These designations total £65,634. There is enough liquidity to ensure cash flow for on-going operational activities for a minimum period of three months.

Investment policy and objectives
The Directors 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.

During accounting year 2021/22, Directors chose to make a strategic investment in acquiring a new vehicle for the Project as the previous vehicle has come to the end of its life. Directors also chose to enter into a lease and refurbish premises so that the Project had a future. This has been successfully undertaken and the Project is now moving back towards financial sustainability. However, this has left the reserves significantly depleted.

Financial sustainability should be reached in the accounting year 2022/23 and then trustees will again seek to build a designated reserve to acquire a premises to house the project and other key local businesses and charities in the circular economy. This will increase the public benefit of the operation.

In the interim, the directors will consider making longer term investments to safeguard the charity's financial reserves. The directors will continue to maintain bank accounts with sufficient funds in liquid form to meet any cashflow or other financial needs in an appropriate time frame.

Risk Assessment and Management
The directors 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 directors 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.

Plans for future periods

BHWRP has set ambitious targets to grow its operation in 2022/23 and beyond.

Trading from the new premises will increase in 2022/23 as the Project becomes re-established and highly visible to passing trade. As already mentioned, the project seeks to maximise its income from its current operational activities and hopes to be earning £35,000 across all trading areas, each month in 2022/23. This should be able to rise to total income of £450-475,000 before new projects and fundraising in 2023/24 which is at pre-pandemic levels of income from operational activities.

To ensure the Project becomes financially sustainable and begins to thrive, a Business Development Manager has been appointed from the existing workforce. This role has yet to be properly developed as the focus has been on internal improvements and day-to-day training of workshop staff and volunteers but early financial returns in 2022/23 are promising.

Funding is being sought for the Business Development Manager's salary to allow him to generate new opportunities for the business. The Project has identified several opportunities to increase the growth of orders from the public, especially in popular items such as tables, sets of smaller tables, shelving and some other bespoke lines.

Additionally, the Project will pursue commercial contracts such as soft fit outs of offices, retail spaces and cafes and restaurants. This will increase earned revenue from the private and public sectors and offer significantly more diverse learning opportunities for trainees.

BHWRP will also improve its on-line presence. The e-portal remains largely dormant at present and product lines will be promoted on LinkedIn and other commercially minded platforms.

Other planned developments include fundraising from charitable trusts, foundations and via other mechanisms to improve and expand the volunteering/ trainee offer thereby increasing the social value of the Project and transforming more lives.

There will be a wider range of stock available at the Woodstore (trading name) including bought in items that compliment BHWRP's signature range. These will include paint consumables, post-consumer waste compost, lime mortar, environmentally friendly paints and finishes as well as fixings and ironmongery with an emphasis on being as environmentally benign as possible. The Woodstore seeks to become a destination for the socio-environmentally conscious DIY enthusiast and a one stop shop for material needed for projects.

BHWRP has also restarted its woodworking courses in both bench joinery, the use of power tools and application of finishes, which are offered to the public at a fair commercial rate as half day courses at the weekend. These have proved popular as more people wish to gain skills for DIY in face of the cost of living crisis.

As part of its commitment to Brighton & Hove being net-zero by 2030, the City Council has agreed a plan for developing a Circular Economy, which prioritises carbon reduction and re-use in the construction industry. As a pioneer of this field BHWRP is being engaged by the Council as a role model flagship.

Structure, governance and management

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 R W West
Mr D C V Nobbs
Mr P M Smithson
Mr J P McNulty

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 has grown during the accounting year and is now four days a week with re-organisation of other existing staff to keep costs under control.

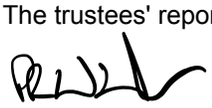
The business also employs a Business Development Manager (workshop and business development) and Collections Manager (collections and retail) who oversee their respective sides of the business. The Project also employs supervisors and operational staff to ensure the proper functioning of the business.

Due Diligence
The directors regularly review the terms and conditions of external service providers. During the next accounts period the directors will ensure that significant fundraising is undertaken to both fund the role of Project Development Manager, bolster and support the volunteering/ trainee programme and ensure the charitable business is properly financed for growth.

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. Directors meet at least three times a year. During the accounting year 2022/23, the Project will seek to recruit several trustees and expand the board considerably ensuring that trustees are drawn from a diverse background and bring skills and competencies needed by a successful local charity.

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”. Trustees are invited to attend training provided by the local voluntary sector infrastructure organisation, Community Works. The Project is a member of this organisation and benefits greatly from its services.

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



Mr P R W West
Trustee

12 December 2022

BRIGHTON & HOVE WOOD RECYCLING PROJECT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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 2022.

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

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, 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 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: 21 December 2022

BRIGHTON & HOVE WOOD RECYCLING PROJECT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Current financial year

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and legacies	**2**	-	-	16,530	16,530	-
Charitable activities	**3**	323,065	-	-	323,065	178,857
Investments	**4**	186	-	-	186	760
Other income	**5**	27,576	-	-	27,576	57,825
Total income		350,827	-	16,530	367,357	237,442
Expenditure on:						
Raising funds	**6**	3,717	-	228	3,945	3,945
Charitable activities	**7**	364,378	23,000	2,091	389,469	278,506
Total expenditure		368,095	23,000	2,319	393,414	282,451
Net (outgoing)/incoming resources before transfers		(17,268)	(23,000)	14,211	(26,057)	(45,009)
Gross transfers between funds		74,749	(61,366)	(13,383)	-	-
Net income/(expenditure) for the year/ Net movement in funds		57,481	(84,366)	828	(26,057)	(45,009)
Fund balances at 1 April 2021		39,650	150,000	-	189,650	234,659
Fund balances at 31 March 2022		97,131	65,634	828	163,593	189,650

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

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

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

BRIGHTON & HOVE WOOD RECYCLING PROJECT

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	**11**		63,824		11,241
Current assets					
Stocks	**12**	22,297		13,278	
Debtors	**13**	45,048		35,455	
Cash at bank and in hand		52,067		142,752	
		119,412		191,485	
Creditors: amounts falling due within one year	**14**	(19,643)		(13,076)	
Net current assets			99,769		178,409
Total assets less current liabilities			163,593		189,650
Income funds					
Restricted funds	**16**		828		-
Unrestricted funds					
Designated funds	**17**	65,634		150,000	
General unrestricted funds		97,131		39,650	
			162,765		189,650
			163,593		189,650

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 2022.

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 12 December 2022



Mr P R W West
Trustee

Company registration number 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. The principal accounting policies adopted are set out below.

1.2 Charitable funds

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

Material funds are income funds of the charity which have been set aside out of general unrestricted funds by the trustees for specific purposes.

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.

1.3 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)**

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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.

1.5 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:

Leasehold improvements	10% straight line basis
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 the statement of financial activities.

1.6 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).

1.7 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.

1.8 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)**

1.9 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.

1.10 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.

1.11 Retirement benefits

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

2 Donations and legacies

	Restricted funds	Total
	2022	2021
	£	£
Donations and gifts	11,030	-
Performance related grants	5,500	-
	16,530	-

3 Charitable activities

	Waste wood	Workshop and education	Total	Waste wood	Workshop and education	Total
	2022	**2022**	**2022**	**2021**	**2021**	**2021**
	£	**£**	**£**	**£**	**£**	**£**
Income from charitable activities	97,750	180,346	278,096	153,385	16,168	169,553
Ancillary trading income	44,969	-	44,969	9,304	-	9,304
	142,719	180,346	323,065	162,689	16,168	178,857

4 Investments

	Unrestricted funds general	Unrestricted funds general
	2022	2021
	£	£
Interest receivable	186	760

5 Other income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Coronavirus job retention scheme	6,415	57,825
Other income	21,161	-
	27,576	57,825

6 Raising funds

	Unrestricted funds general 2022 £	**Restricted funds 2022 £**	**Total 2022 £**	Unrestricted funds general 2021 £
Fundraising and publicity				
Staging fundraising events	880	-	880	-
Other fundraising costs	-	228	228	-
Staff costs	2,837	-	2,837	3,945
Fundraising and publicity	3,717	228	3,945	3,945
	3,717	228	3,945	3,945

7 Charitable activities

	Waste wood & ancillary trading 2022	Workshop and education 2022	Total 2022	Waste wood & ancillary trading 2021	Workshop and education 2021	Total 2021
	£	£	£	£	£	£
Staff costs	177,999	45,343	223,342	143,307	52,982	196,289
Depreciation and impairment	13,477	-	13,477	1,926	-	1,926
Wood purchase	24,583	7,322	31,905	10,025	4,297	14,322
Firewood	12,958	1,845	14,803	4,074	1,746	5,820
Chipping & disposal	23,205	6,346	29,551	10,533	4,514	15,047
Giftware & incidentals	539	-	539	770	330	1,100
Couriers	1,375	589	1,964	1,190	510	1,700
Workshop expenses	-	26,442	26,442	-	2,248	2,248
	254,136	87,887	342,023	171,825	66,627	238,452
Share of support costs (see note 8)	26,247	11,248	37,495	22,888	10,667	33,555
Share of governance costs (see note 8)	6,966	2,985	9,951	4,549	1,950	6,499
	287,349	102,120	389,469	199,262	79,244	278,506
Analysis by fund						
Unrestricted funds - general	262,258	102,120	364,378	199,262	79,244	278,506
Unrestricted funds - designated	23,000	-	23,000	-	-	-
Restricted funds	2,091	-	2,091	-	-	-
	287,349	102,120	389,469	199,262	79,244	278,506

8 Support costs

	Support costs	**Governance costs**	**2022**	Support costs	Governance costs	2021
	£	**£**	**£**	£	£	£
Temporary staff and recruitment	-	-	-	28	-	28
Rates	3,792	-	3,792	(12,027)	-	(12,027)
Rent	3,778	-	3,778	3,853	-	3,853
Travel	1,180	-	1,180	1,082	-	1,082
Motor expenses	8,571	-	8,571	16,262	-	16,262
Staff training and welfare	1,508	-	1,508	492	-	492
Telephone and IT	2,196	-	2,196	1,285	-	1,285
Light and heat	951	-	951	1,487	-	1,487
Insurance	889	-	889	7,749	-	7,749
Repairs and maintenance	5,697	-	5,697	1,819	-	1,819
Marketing	531	-	531	9,858	-	9,858
Printing, postage & stationery	270	-	270	369	-	369
Subscriptions	1,140	-	1,140	140	-	140
Bank Charges	5,845	-	5,845	3,918	-	3,918
Sundry Expenses	1,147	-	1,147	(2,760)	-	(2,760)
Accountancy fees	-	2,100	2,100	-	1,688	1,688
Legal and professional	-	5,292	5,292	-	2,901	2,901
Bookkeeping fees	-	2,559	2,559	-	1,910	1,910
	37,495	9,951	47,446	33,555	6,499	40,054
Analysed to Charitable activities	37,495	9,951	47,446	33,555	6,499	40,054

Governance costs includes payments to the independent examiner of £1,650 (2021 - £1,500) for examination fees.

9 Trustees

One of the trustees received remuneration of £27,268 (2021 - £10,525) from the charitable company during the year for the role of Chief Executive Officer.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Employees under contract	14	12

Employment costs	**2022 £**	**2021 £**
Wages and salaries	213,729	191,082
Social security costs	9,150	6,961
Other pension costs	3,300	2,191
	226,179	200,234

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

11 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	-	917	2,270	25,660	28,847
Additions	37,218	2,622	3,225	22,995	66,060
At 31 March 2022	37,218	3,539	5,495	48,655	94,907
Depreciation and impairment					
At 1 April 2021	-	406	1,499	15,701	17,606
Depreciation charged in the year	3,722	470	1,046	8,239	13,477
At 31 March 2022	3,722	876	2,545	23,940	31,083
Carrying amount					
At 31 March 2022	33,496	2,663	2,950	24,715	63,824
At 31 March 2021	-	511	771	9,959	11,241

12 Stocks

	2022 £	2021 £
Finished goods and goods for resale	22,297	13,278

13 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	36,271	20,796
Other debtors	4,500	4,500
Prepayments and accrued income	4,277	10,159
	45,048	35,455

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	9,948	6,249
Trade creditors	5,032	4,896
Other creditors	-	380
Accruals and deferred income	4,663	1,551
	19,643	13,076

15 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £3,300 (2021 - £2,191).

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds			
	Incoming resources	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£
Arnold Clark Foundation	-	-	500	(500)	-	-
Sussex Community Foundation	-	-	5,000	(1,052)	(3,120)	828
Leasehold Improvement Donations	-	-	11,030	(767)	(10,263)	-
	-	-	16,530	(2,319)	(13,383)	828

17 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:

	Transfers	Balance at 1 April 2021	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Premises improvement fund	50,000	50,000	(23,000)	(27,000)	-
Deposit for new premises	50,000	50,000	-	(50,000)	-
Redundancy fund	30,000	30,000	-	15,634	45,634
Replacement vehicle fund	15,000	15,000	-	-	15,000
Business wind-up fund	5,000	5,000	-	-	5,000
	150,000	150,000	(23,000)	(61,366)	65,634

18 Analysis of net assets between funds

	Unrestricted funds	**Designated funds**	**Restricted funds**	**Total**	Unrestricted funds	Designated funds	Total
	2022	**2022**	**2022**	**2022**	2021	2021	2021
	£	**£**	**£**	**£**	£	£	£
Fund balances at 31 March 2022 are represented by:							
Tangible assets	63,824	-	-	63,824	11,241	-	11,241
Current assets/(liabilities)	33,307	65,634	828	99,769	28,409	150,000	178,409
	97,131	65,634	828	163,593	39,650	150,000	189,650

19 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).