

Charity registration number 1047350

Company registration number 03032531 (England and Wales)

**MIDSTREAM (WEST LANCS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# MIDSTREAM (WEST LANCS) LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Management Committee</b>	Robert A. Johnstone Peter A. Atherton
<b>Secretary</b>	Anita C. Cooke
<b>Charity number</b>	1047350
<b>Company number</b>	03032531
<b>Principal address</b>	2 Penrose Place Pimbo Skelmersdale Lancashire WN8 9PR
<b>Registered office</b>	2 Penrose Place Pimbo Skelmersdale Lancashire WN8 9PR
<b>Auditor</b>	Jackson Stephen LLP James House Stonecross Business Park Yew Tree Way Warrington Cheshire WA3 3JD
<b>Bankers</b>	The Co-operative Bank plc PO Box 101 1 Balloon Street Manchester M60 4EP

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# MIDSTREAM (WEST LANCS) LIMITED

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# **MIDSTREAM (WEST LANCS) LIMITED**

## **COMMITTEE MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The Management Committee present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity'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)".

Since the charity qualifies as small under section 383 of the Companies Act 2006, the Company Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

#### **Objectives and activities**

The charity reviews its aims, objectives and activities each year to help ensure it focuses on its stated purposes. The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims, objectives and in planning its future activities.

The objects of the charity are to provide employment opportunities and to promote the advancement of education, in particular amongst young people and adults with learning difficulties, physical disabilities and those suffering from the negative effects of long term unemployment. By the provision of such training facilities the company will enable such persons to acquire and develop vocational skills which will enhance their employment prospects.

The impact of the charity's work reaches beyond those we help directly and includes improving the quality of lives by means of respite care, for families and carers. Our work also has a favourable aesthetic impact upon the natural environment as a result of our corporate/community landscape gardening/maintenance activities and the growing/supplying of plants for both retail and wholesale.

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the charity's performance.

# **MIDSTREAM (WEST LANCS) LIMITED**

## **COMMITTEE MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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### **Achievements and performance**

Throughout the year Midstream has continued to offer health & social care, vocational training, education and work activities that is appropriate to each service user's individual needs.

The charity has continued to progress service users towards The Certificate in Skills for Working Life awarded by City & Guilds. This award is particularly suited for people with learning difficulties and / or physical / mental disabilities. Service users are given the opportunity to engage in real life working environments in a variety of occupational areas. These include horticulture, landscape gardening / construction, environmental conservation, retail, business administration, crafts, catering, hospitality and hair & beauty. Work experience, gathering evidence, ongoing assessment and portfolio building forms part of the award. It encourages service users to make the right choice of occupation and to build the skills needed for a successful working life. A clear progression route onto NVQ is visible as Midstream not only continues to be awarded approved centre status to deliver The Certificate in Skills for Working Life but also is approved by the Construction Industry Training Board (CITB) and City & Guilds for the assessment accreditation of Levels 1 & 2 in Horticulture and Business Administration.

The organisation has also maintained Investors in People status and Quality Guild approval.

This year, although coronavirus is endemic in our communities it has not dominated Midstream in the way it did the previous year. We have continued to keep our site as covid free as possible. Lancashire County Council have continued to support Midstream in this respect both financially by way of grant aid and practically by continuing to supply medical grade face masks and lateral flow test kits for symptomatic testing. The garden centre & cafe re opened to the public in spring 2022 when our offsite contract gardening activities were also resumed, followed by hair & beauty activities in autumn 2022. Thanks to the Government's wide scale vaccination programme (with priority being given to those who were most vulnerable and to those working in health & social care); and with fewer new cases of covid being reported nationally, in January 2023 we felt Midstream was in a position to relax the wearing of face masks.

It has also made further progress in securing a position of financial strength to ensure delivery of Midstream's services into the foreseeable future. During the latter half of the year we resumed our efforts to obtaining the necessary planning & building regulations approvals required to build a new refectory building which will secure the continuation of Midstream's service provision for the long term.

As we look to the future the essential is not to be complacent. Tackling a major challenge such as social exclusion demands concerted efforts. Public, private, community and voluntary sector organisations all have a part to play in improving the quality of life of people most disadvantaged in the world of work through learning disabilities and other special needs. Midstream believes that the more we can work together the more we will achieve in the future and the more likely it is that barriers to employment will be broken down.

# MIDSTREAM (WEST LANCS) LIMITED

## COMMITTEE MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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### Financial review

The net incoming resources for the year amounted to £177,538 and reserves now stand at £4,707,695.

In the prior year, due to the coronavirus pandemic, there was a significant fall in the activities for generating funds and incoming resources from charitable activities. However, there was a significant increase in other incoming resources and from voluntary income.

The charity has established a good reputation over the years with social workers, carers, teachers, careers officers, etc. Partnerships working with public, private and voluntary sector organisations are essential to delivering a service which meets the complex needs of our client group. Combining training with employment with the provision of day care has generated significant income from referring organisations such as Social Services, privately run residential care homes and special schools. Midstream has benefited from income in respect of contracts secured with referring organisations totalling £1,948,697 (2022: £1,793,033) included within incoming resources from charitable activities. With growing emphasis on direct payments, Midstream attracts service users from a wider geographical area including Greater Manchester to the East, Merseyside to the West and Cheshire to the South. All are within easy daily travel distance of Midstream.

Midstream's trading activities during the year have generated income from sales of goods and services to the general public totalling £78,169 (2022: £30,514), included within activities for generating funds. This source of income contributes towards training material costs and promotional costs that the charity has incurred throughout the financial year. The charity's overall expenditure has increased to £1,872,913 compared to £1,677,904, reflecting the increased charitable activity in the year.

This year Midstream has invested £37,789 (2022: £57,995) in buildings, plant and equipment and office equipment. In furtherance of the charity's aims and objectives. The Trustees took a decision in 2021 to construct a new detached building for staff and client dining facilities including access road and parking. This year £18,681 was further invested in the planning and design in preparation for the construction.

With contracts secured for the majority of Midstream's activities into the forthcoming year and beyond, financially the outlook for the future is satisfactory.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to a minimum of at least three months expenditure. The Management Committee considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been exceeded throughout the year.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to such risks.

### Structure, governance and management

The charity is a company limited by guarantee which was incorporated on 13 March 1995 and registered as a charity on 20 June 1995.

The company is governed by the Memorandum and Articles of Association which establish the objects and powers of the charity.

The Management Committee, who are also trustees and the directors for the purpose of company law, who served during the year were:

Robert A. Johnstone

Peter A. Atherton

# MIDSTREAM (WEST LANCS) LIMITED

## COMMITTEE MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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None of the Management Committee has any beneficial interest in the company. All of the Management Committee are members of the company and guarantee to contribute £1 in the event of a winding up.

Under the Articles, the members of the Management Committee are elected at the Annual General Meeting to serve a period of three years, subject to ratification at each Annual General Meeting.

The Management Committee meets regularly throughout the year to review the strategy, operations and performance of the Charity. The Management Committee is fully responsible for the decision making process operated by the Charity.

The day to day responsibility of managing the Charity rests with the Chief Executive, Anita C. Cooke, who is responsible for ensuring the Charity delivers the services specified and that key performance indicators are met.

The trustees are familiar with the practical work of the charity and their responsibilities and update training is provided when considered necessary. Additionally, new trustees will be provided with appropriate training and induction.

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

### **Auditor**

A resolution proposing that Jackson Stephen LLP be reappointed as auditors of the company will be put to the members.

### **Disclosure of information to auditor**

Each member of the Management Committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Committee Members' report was approved by the Board of Management Committee.



**Peter A. Atherton**

Director

Dated: 26 October 2023

# **MIDSTREAM (WEST LANCS) LIMITED**

## **STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The Management Committee is responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Management Committee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Management Committee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable it to ensure that the accounts comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# MIDSTREAM (WEST LANCS) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MIDSTREAM (WEST LANCS) LIMITED

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#### Opinion

We have audited the financial statements of Midstream (West Lancs) Limited (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Committee Members' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Committee Members' report has been prepared in accordance with applicable legal requirements.

# **MIDSTREAM (WEST LANCS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MIDSTREAM (WEST LANCS) LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Committee Members' report.

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

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

#### **Responsibilities of Management Committee**

As explained more fully in the statement of Committee Members' responsibilities, the Management Committee, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Management Committee are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the charitable company and sector, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, the Companies Act 2006, the Charities Act 2011, employment, pension and health and safety legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgements and the risk of fraud in revenue recognition.

# MIDSTREAM (WEST LANCS) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MIDSTREAM (WEST LANCS) LIMITED

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Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims, their policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- obtaining an understanding of provisions and holding discussions with management to understand the basis of recognition or non-recognition of provisions; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries; assessing whether the accounting estimates, judgements and decisions made by management are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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

*E.P. Atkinson*

**Peter Atkinson F.C.A. (Senior Statutory Auditor)**  
for and on behalf of Jackson Stephen LLP

Nov 22, 2023  
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**Chartered Accountants**  
**Statutory Auditor**

James House  
Stonecross Business Park  
Yew Tree Way  
Warrington  
Cheshire  
WA3 3JD

# MIDSTREAM (WEST LANCS) LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
<b><u>Income and endowments from:</u></b>			
Voluntary income	3	1,587	964
Incoming resources from charitable activities	4	1,948,697	1,793,033
Activities for generating funds	5	78,169	30,514
Investments	6	11,344	309
Other incoming resources	7	10,654	60,190
<b>Total income</b>		<b>2,050,451</b>	<b>1,885,010</b>
<b><u>Expenditure on:</u></b>			
Raising funds	8	61,773	26,844
Charitable activities	9	1,811,140	1,651,060
<b>Total expenditure</b>		<b>1,872,913</b>	<b>1,677,904</b>
<b>Net income for the year/ Net movement in funds</b>		<b>177,538</b>	<b>207,106</b>
Fund balances at 1 April 2022		4,530,157	4,323,051
<b>Fund balances at 31 March 2023</b>		<b>4,707,695</b>	<b>4,530,157</b>

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.

# MIDSTREAM (WEST LANCS) LIMITED

## BALANCE SHEET

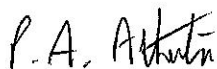
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	13		1,875,858		1,927,578
<b>Current assets</b>					
Stocks	14	27,276		10,841	
Debtors	15	191,436		156,425	
Cash at bank and in hand		2,675,206		2,485,219	
		<u>2,893,918</u>		<u>2,652,485</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(62,081)</u>		<u>(49,906)</u>	
Net current assets			<u>2,831,837</u>		<u>2,602,579</u>
<b>Total assets less current liabilities</b>			<u>4,707,695</u>		<u>4,530,157</u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
General unrestricted funds		4,207,696		4,030,158	
Revaluation reserve		<u>499,999</u>		<u>499,999</u>	
			<u>4,707,695</u>		<u>4,530,157</u>
			<u>4,707,695</u>		<u>4,530,157</u>

The notes on pages 12 to 20 form part of these financial statements.

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 Management Committee on 26 October 2023



Peter A. Atherton  
Trustee

Company registration number 03032531

# MIDSTREAM (WEST LANCS) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18		216,432		316,789
<b>Investing activities</b>					
Purchase of tangible fixed assets		(37,789)		(57,995)	
Proceeds on disposal of tangible fixed assets		-		197	
Interest received		11,344		309	
<b>Net cash used in investing activities</b>			(26,445)		(57,489)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			189,987		259,300
Cash and cash equivalents at beginning of year			2,485,219		2,225,919
<b>Cash and cash equivalents at end of year</b>			<u>2,675,206</u>		<u>2,485,219</u>

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# MIDSTREAM (WEST LANCS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Charity information

Midstream (West Lancs) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 2 Penrose Place, Pimbo, Skelmersdale, Lancashire, WN8 9PR.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity'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 charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared under the historical cost convention, modified to include freehold land & buildings at revalued amounts.

#### 1.2 Going concern

At the time of approving the financial statements, the Management Committee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Management Committee 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 Management Committee in furtherance of their charitable objectives.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

#### 1.4 Incoming resources

Income is recognised when the charity 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 charity 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.

Incoming resources from commercial activities including the supply of plants, garden furniture, fencing, gardening services and from the tea shop are included when receivable, net of VAT.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

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.

# MIDSTREAM (WEST LANCS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

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

#### 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:

Freehold land and buildings	2 - 12.5% per annum on a straight line basis
Plant and machinery	15% per annum on a reducing balance basis
Computers and office equipment	33% per annum on a reducing balance basis
Motor vehicles	25% per annum on a 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.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity 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.

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.

#### 1.10 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

# MIDSTREAM (WEST LANCS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **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.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **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 charity'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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.12 Retirement benefits

The charity operates a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Management Committee 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. The critical estimates made by the Management Committee in preparing these financial statements relate to the assessment of the useful economic lives of the charity's tangible fixed assets when determining the appropriate depreciation policies as disclosed in Note 1.6.

# MIDSTREAM (WEST LANCS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 3 Voluntary income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	1,587	964

### 4 Incoming resources from charitable activities

	Unrestricted Training and day care income	Unrestricted Training and day care income
	2023	2022
	£	£
Sales within charitable activities	1,948,697	1,793,033

### 5 Activities for generating funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Non-charitable trading activities	78,169	30,514

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	11,344	309

# MIDSTREAM (WEST LANCS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 7 Other incoming resources

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Net gain on disposal of tangible fixed assets	-	185
Other income	10,654	60,005
	<u>10,654</u>	<u>60,190</u>

Included within other income above is £8,934 (2022: £57,195) received in the year relating to support grants from the government and local authority in relation to the coronavirus pandemic.

### 8 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Advertising	36	10
Training materials	1,753	1,311
Repairs and renewals	556	587
Light and heat	997	319
Motor expenses	1,070	832
Telephone	61	61
Printing and stationery	162	172
Insurance	106	101
Legal and professional	69	82
Audit and accountancy	122	105
Bank charges	50	33
Sundry	838	826
Staff costs	54,360	20,770
Depreciation and impairment	1,432	1,511
Staff training	161	127
Profit on sale of fixed asset	-	(3)
	<u>61,773</u>	<u>26,844</u>

# MIDSTREAM (WEST LANCS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 9 Charitable activities

	Training and day care income 2023 £	Training and day care income 2022 £
Staff costs	1,355,150	1,277,325
Depreciation and impairment	88,077	92,925
Legal and professional	4,232	5,064
Training materials	107,803	80,620
Repairs and renewals	34,212	36,114
Staff training	9,925	7,798
Light and heat	61,295	19,645
Motor expenses	65,818	51,147
Printing and stationery	9,990	10,571
Telephone	3,742	3,758
Advertising	2,207	612
Insurance	6,515	6,214
Bank charges	3,104	2,033
Audit and accountancy	7,493	6,463
Sundry	51,577	50,771
	<u>1,811,140</u>	<u>1,651,060</u>

### 10 Management Committee

No remuneration was paid to the trustees in the year (2022: £Nil). Expenses totalling £255 (2022: £Nil) were paid to the trustees in the year.

# MIDSTREAM (WEST LANCS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Employees	46	47

#### Employment costs

	2023 £	2022 £
Wages and salaries	1,191,102	1,101,454
Social security costs	115,026	99,675
Other pension costs	103,382	96,966
	<u>1,409,510</u>	<u>1,298,095</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
60,001 to 70,000	-	1
70,001 to 80,000	1	-
80,001 to 90,000	1	1
90,001 to 100,000	1	1

### 12 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

# MIDSTREAM (WEST LANCS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 13 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Computers and office equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2022	2,655,983	224,905	125,535	177,125	3,183,548
Additions	18,681	16,178	2,930	-	37,789
At 31 March 2023	2,674,664	241,083	128,465	177,125	3,221,337
<b>Depreciation and impairment</b>					
At 1 April 2022	843,246	177,563	112,754	122,407	1,255,970
Depreciation charged in the year	61,454	9,528	4,847	13,680	89,509
At 31 March 2023	904,700	187,091	117,601	136,087	1,345,479
<b>Carrying amount</b>					
At 31 March 2023	1,769,964	53,992	10,864	41,038	1,875,858
At 31 March 2022	1,812,737	47,342	12,781	54,718	1,927,578

The freehold land was revalued in the amount of £500,000 by a firm of independent Chartered Surveyors, Parkinson Commercial Property Consultants, on 12 January 1996 on the basis of an open market valuation for existing use. The valuation has not been updated and the trustees have adopted the transitional rules of FRS102 and treated this as the deemed cost of the land.

The freehold land valued at £500,000 is not depreciated.

At 31 March 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,269,964 (2022 - £1,312,738).

### 14 Stocks

	2023 £	2022 £
Finished goods and goods for resale	27,276	10,841

### 15 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	155,762	134,741
Other debtors	3,970	3,699
Prepayments and accrued income	31,704	17,985
	191,436	156,425

# MIDSTREAM (WEST LANCS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

**16 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	£	£
Other taxation and social security	27,140	21,672
Trade creditors	29,906	23,971
Accruals and deferred income	5,035	4,263
	<u>62,081</u>	<u>49,906</u>

**17 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2023</b>	<b>2022</b>
	£	£
Aggregate compensation	<u>97,035</u>	<u>92,168</u>

**18 Cash generated from operations**

	<b>2023</b>	<b>2022</b>
	£	£
Surplus for the year	177,538	207,106
Adjustments for:		
Investment income recognised in statement of financial activities	(11,344)	(309)
Gain on disposal of tangible fixed assets	-	(185)
Depreciation and impairment of tangible fixed assets	89,509	94,436
Movements in working capital:		
(Increase) in stocks	(16,435)	(440)
(Increase)/decrease in debtors	(35,011)	46,008
Increase/(decrease) in creditors	12,175	(29,827)
<b>Cash generated from operations</b>	<u>216,432</u>	<u>316,789</u>

**19 Analysis of changes in net debt**

The charity had no debt during the year.