



*'Supporting adults with learning disabilities  
to live active and fulfilling lives'*

**Registered No.03068661**

**Charity No.1047403**

**BRANCHING OUT  
(A company limited by guarantee)**

**TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees, who are also Directors for the purposes of company law, present their report and the financial statements of the Charity for the year ended 31 March 2023.

Reference and administrative details of the Charity, its Trustees and Advisers for the year ended 31 March 2023 are as follows:

**REGISTERED NUMBER** 03068661

**CHARITY REGISTRATION  
NUMBER** 1047403

### **TRUSTEES**

Mr J Boyle (Chairperson)  
Dr K B Taylor  
Mr B W Hayes  
Mr J Hummersone  
Mrs M Moll (resigned 27 July 2023)  
Mrs V Bowles (resigned 28 October 2022)  
Mrs A Hillerby (appointed 25 May 2023)  
Mr I Hunt (appointed 27 July 2023)

**REGISTERED OFFICE** 27 Grange Lane  
Littleport  
Cambridgeshire  
CB6 1HW

**INDEPENDENT EXAMINER** H Wisbey ACA  
Whitings LLP  
14C Compass Point Business Park  
Stocks Bridge Way  
St Ives  
Cambridgeshire  
PE27 5JL

**BANKERS** Barclays Bank Plc  
28 High Street  
Ely  
Cambridgeshire  
CB7 4LA

# **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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## **Structure, Governance and Management**

### **Legal status and structure, and management**

Branching Out was founded in 1994 as a registered charity and became a private limited company in 1995. The Directors (who also act as Trustees for the Charity) are listed on page 3. The company operates from leased premises in Littleport, providing training to benefit adults with learning disabilities. Branching Out is governed by its Board of Trustees who are elected by attendees at our General Meeting. Trustees can also co-opt additional Trustees to the Board, who must subsequently be elected at the General Meeting. The election or appointment of Trustees is detailed in the Articles of Association.

Trustees meet six times a year to monitor performance, provide support within their areas of expertise and review the strategic direction of the Charity. Day to day management is delegated to the General Manager. Membership of the Board reflects the expertise of the respective Trustees in relation to the activities undertaken by the Charity. Minutes of the meetings are subsequently circulated to the full Board.

The induction process for Trustees includes attendance at an initial meeting of the Board and further in-depth briefings from the General Manager. Further training is arranged to meet the specific needs of individual Trustees.

### **Details of last year's Annual General Meeting**

The 27th AGM was held on 24 November 2022. The Board of Directors was approved unanimously for another year and the Annual Report and Accounts were adopted unanimously.

### **Details of this year's Annual General Meeting**

The company's 28th AGM will be held on 30 November 2023. At the meeting the Directors/Trustees will be asked to approve the receipt of the Annual Report and Independently Examined Accounts for the financial year ended 31 March 2023. New appointments to the board will also be considered.

### **About Us:**

We are a local charity based in East Cambridgeshire. We support adults with learning disabilities in a variety of ways. The adults who attend Branching Out can choose to work in our horticultural areas and prepare items for sale, such as greetings cards, bird boxes and seasonal gifts. There are also opportunities to interact socially in the community, including shopping trips, preparing planters for the local village, and taking items made at Branching Out to our charity shop. Branching Out currently supports 38 adults over the course of a week. Several adults attend more than once a week. Their attendance is based on assessed needs. Over 50% of the adults we support attend for two days or more, and over 35% of those adults attend for three days or more.

We have a charity shop in Littleport which continues to support our fundraising. Furthermore, over 25 volunteers from the local community support fundraising for Branching Out.

# **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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## **Vision:**

When we achieve, we have value, when we make mistakes, we have understanding, when we look after our environment, we have a community.

## **Mission:**

At Branching Out, we provide in-house work experience for adults with learning disabilities. It is tailored to meet the needs of the individual to generate achievement and experience self-worth. This is continually monitored to ensure our service always has the flexibility to meet the needs of the individual. Through conscientious financial planning, we strive for financial stability to secure the future of the people we support. We recruit and train staff who are committed to providing the high standards we expect at Branching Out.

## **Values:**

We encourage the people we support to feel safe and build friendships with respect for each other and the wider community of Branching Out. All staff and volunteers show respect to our service users, our charity shop customers and all who come into contact with Branching Out.

## **Trustees' Review 2022/23**

We are proud of the support of our staff and volunteers. They consistently show through their words and deeds how much they care about adults who use the services of Branching Out.

Our focus is adults with learning disabilities who live in the Cambridgeshire area. The objects of the Charity say:

*'The objects of the company shall be support and training for adults residing in the Cambridgeshire area who have learning disabilities, in particular, the provision of education, training and advocacy to equip them for independent living within the community'.*

We listen to those who need the support of the charity to develop our sense of ambition as Trustees. This allows us to create a wider service to support those who access our services.

Listening to the views of adults who use our services, volunteers, and staff is essential in guiding our decision-making.

We have the following additional intents for the Charity:

*'To grant emergency financial assistance to current clients of the Charity to alleviate temporary hardship to them'.*

*'To establish and run shops to raise funds for the Charity by selling donated and second-hand goods of any kind but not in such a way as would constitute permanent trading'.*

We understand that Branching Out services enrich the lives of many people, and we want everyone involved to feel that sense of optimism and belonging to Branching Out.

Recruitment and retention of staff that share the common values of Branching Out are vital to our services and to support the advocacy work social care asks us to undertake. Staff training, together with the maintenance of safe practices for vulnerable adults and adherence to national guidelines for

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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health and safety, continues to be a priority.

Our charity shop in Littleport is vital to the success of Branching Out and provides work-related experiences for volunteers from the community.

Our website and use of social media have improved our communications overall, and we are always happy to receive feedback and suggestions to continue this improvement. It is crucial that we build on our social media presence to increase awareness of our work and how the community can get involved to support us.

### **Making a difference and public benefit:**

The Trustees have had due regard for the Charity Commission's guidance on public benefit.

All the adults at risk with learning disabilities who use our services benefit from all organisations working together in partnership to support the adult at risk. Objectives are agreed for the year ahead, and progress during the past year is reviewed and monitored frequently. In 2022/23 we were able to slowly be released from the restrictions of COVID-19 Government Guidelines. This allowed the complete reopening of our on-site facilities and the services we provide. We provide our service to an average of 38 people on a weekly/daily basis.

Our volunteers make a real difference to people's lives daily, and they benefit from the opportunity to be involved in their community. We are grateful to our volunteers for their continued support, together with individual donors and organisations from our community who have worked hard to help us to raise funds over the last year to support our work and build on the success of previous years.

The charity shop provides quality items to the community at a low cost, promoting recycling and reducing landfill. We have a system for helping those from or moving into our community in desperate need.

We plant and water the village planters in Littleport for the Parish Council.

We recognise that special care day provision is not currently subject to Care Quality Commission inspections. However, we realise that this will happen in the future and are actively working to CQC standards.

### **Financial Review and Reserves Policy:**

Branching Out is dependent on a number of fluctuating income streams, particularly statutory funding, fundraising, shop profits, trust and corporate donations.

The Board approved a small deficit budget for 2022/23 of £10,684 (on a turnover of £464,000) on 26 May 2022. This was a lower deficit budget than the prior year (£32,477). At that time, inflation and pay costs were rising, but sufficient reserves were available to bridge the small gap.

It is pleasing to report that the accounts show only a small General Fund reduction for the year of £4,400, and this is after the payment of £25,700 for the completion of the new roof on the charity shop.

The Trustees are required to maintain a level of reserves so that the Charity can continue its operations in the event of an unforeseen shortfall in income or a significant cost increase.

At the balance sheet date, the Charity holds unrestricted funds of £477,578 (2022: £478,774) (which can be expended at the discretion of the Trustees in furtherance of the Charity's objects) and

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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restricted funds of £NIL (2022: £3,500) (which can only be applied for specific purposes). Full details of the reserves held and their purposes can be found in Note 17 of the accounts on page 23.

The General Fund (unrestricted) is required to support future projects for service users, finance capital spending needs (e.g. repairs to buildings and renewal of technology), deal with uninsured events and provide a contingency for the operational delivery of business.

### **Financial Control and Audit**

The Trustees have responsibility for the oversight of key issues such as the financial management and prevention of fraud. Trustees have approved a set of Financial Regulations (including an Investment Policy and an Anti Fraud, Corruption and Bribery Policy). This key governance document sets out who is responsible for the various financial activities. At every meeting of the Board the Treasurer reports the latest financial position and the outlook.

The Board of Trustees has determined that the 2022/23 accounts will be subject to an Independent Examination (IE) instead of a full audit. There is a significant cost saving and a reduction in the support required from the Charity for the process. Whittings LLP has been appointed and the Board will determine each year whether an IE or a full audit is required.

### **Going concern**

In considering its Medium Term Financial Plan for 2023/26, Branching Out's Board of Trustees has assessed the Charity's finances and resources, and approved a budget for 2023/24. On the basis of this assessment the Board of Trustees believe that the Charity is in a position to manage its business risks and it therefore has a reasonable expectation that adequate resources exist for the Charity to continue to operate for the foreseeable future and it continues to adopt the going concern basis of accounting in preparing these financial statements.

### **Trustees Liabilities**

Branching Out indemnifies the Trustees and management against liability in respect of proceedings brought by third parties. This third-party indemnity provision was in force during the year. The insured amounts are Professional Liability £5m (2022: £5m) and Management Liability £1m (2022: £1m) at a cost of:

Professional Liability - £1,702.23 (2022: £1,099.44)

Management Liability - £118.38 (2022: £448.00)

(Both inclusive of Insurance Premium Tax).

### **Governance**

The Board ensures the good and effective ongoing governance of Branching Out. Key responsibilities are any governance matters which need to be addressed, overseeing the appointment, re-election, and retirement of Trustees, ensuring good distribution of skills and experience among the Trustees, and advising on the appointment of the General Manager.

### **Health and Safety**

The General Manager and Trustees carry out an annual Health and Safety check. In addition, we have an annual external health and safety audit. All checks and audits result in the setting of actions as required. All employees have a vital part to play in monitoring health and safety within Branching Out and are encouraged to report all hazards using our hazard reporting system. Any hazards are followed up with an open and honest discussion with the sole purpose of working to identify and reduce

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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hazards to a minimum.

### **Disability and Equality**

We have a Disability & Equality Scheme regarding ensuring that Branching Out gives full and equal access to all our beneficiaries. Our Equal Opportunities Policy is given to all new employees. If employees or beneficiaries have or develop a disability, it is Branching Out's policy, wherever possible, to provide reasonable adaptations to enable their employment or the service they receive to continue.

### **Employee involvement**

We have employee involvement embedded into the culture of our organisation. Information is continually provided and shared with all our employees within our organisation's open culture (as agreed in Branching Out policies).

All staff are consulted on the changes affecting their work activities and the organisation. Regular meetings are held with staff to seek a two-way flow of information. We use Microsoft Teams to share information with staff and use a specified social media site to share ideas among the staff team.

### **Service User involvement**

We are committed to providing our service users with the materials they need to access our site as independently as possible. In addition, our open culture is extended to include our service users. The staff explain all activities to our service users and expands on service users' ideas and choices throughout the organisation. All changes are discussed with all our service users, and their opinion is valued.

All service users participate in reviewing their support plans. Support plans are personalised to include likes, dislikes, and photographic evidence of achievements. All service users are familiar with their support plan and can use it to communicate their achievements within their circle of support during their annual reviews.

### **Use of Restrictive Interventions**

Our support staff receive high quality, specialised training from PROACT SCIP<sup>®</sup> UK for proactive, active, and reactive support using the least restrictive option focusing on individuals' skills and preferences, establishing the most proactive options. Our Proactive Support Team Manager is a qualified PROACT SCIP<sup>®</sup> UK Instructor training our workforce and other organisations in the area in partnership with Cambridgeshire County Council. We are a PROACT SCIP<sup>®</sup> UK sub-centre.

### **Fundraising**

The Charity understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. It does not currently undertake significant activities to fundraise from the public, nor does it use any internal fundraisers or external fundraising agencies for either telephone or face-to-face campaigns and received no fundraising complaints during the year.

### **What we wanted to happen during the year**

- To develop our community partnerships.
- To continue improving our premises for our service users' benefit.
- To improve our charity shop to continue to be of benefit to our service users.

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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### **What did happen during the year**

- The whole site was re-opened to service users.
- The General Manager of 26 years of service retired, and a new General Manager was appointed.
- The charity shop's whole roof has now been renewed.
- The charity purchased a defibrillator chosen by the previous General Manager as a retirement gift for the use of the Branching Out and the wider community.

### **What we want to happen in the future**

We will continue to deliver a high-quality and efficient service for adults with learning disabilities. An important part of this is to continually review our ability to raise income to support our work via our charity shop.

Striving to ensure our facilities are of good quality and condition.

Subject to cost and funding, we are hoping to complete the following over the next few years:

- Continue to improve our premises for the benefit of our service users.
- Continue using technology to support our service users.
- Continue to support a positive work-life balance.
- Continue with our accreditation (since 2016) as a Living Wage Foundation Employer\*.
- Continue to work with community organisations.
- To use spare capacity in our service user hours to encourage growth.
- To redecorate the shop to celebrate its 20<sup>th</sup> anniversary.
- To reform the staffing arrangements in the charity shop.

The Trustees support a positive work-life balance and are pleased to report that this is happening.

*\*Branching Out is signed up to The Living Wage Foundation. Since 2016 Branching Out has been an accredited Living Wage Foundation Employer. The living wage is an hourly rate set independently and updated annually by the Centre for Social Policy at Loughborough University. The rate is calculated according to the basic cost of living in the UK. It should be enough to ensure that all our staff and their families can live free from poverty and reward them fairly for their work.*

### **Responsibilities of the Trustees**

The Trustees (also the Directors of Branching Out Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements per 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 an accurate and fair view of the charitable company's state of affairs and the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 2015 (FRS102);
- 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.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

**BRANCHING OUT  
TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees are responsible for keeping proper 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. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

**Small Company Provisions**

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

Registered office:  
27 Grange Lane  
Littleport  
Ely  
Cambridgeshire  
CB6 1HW

Signed on behalf of the Trustees



Mr J Boyle  
**Chairperson**

Date: ~~16~~ 24/9/23  
JR



Mr J Hummersone  
**Trustee and Treasurer**

Date: 22/9/23

# BRANCHING OUT

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BRANCHING OUT FOR THE YEAR ENDED 31 MARCH 2023

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I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2023 which are set out on pages 12 to 25.

### Responsibilities and basis of report

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

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

### Independent examiner's statement

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

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

Signed:



Hannah Wisbey ACA

Whitings LLP  
Raleigh House  
14C Compass Point Business Park  
Stocks Bridge Way  
St Ives  
Cambridgeshire  
PE27 5JL

Date: 27/09/2023

**BRANCHING OUT  
STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds £	Restricted funds £	Total funds £	Prior year total funds £
<b>Income from</b>					
Donations and legacies	3	23,226	-	23,226	33,064
Charitable activities	4	330,473	-	330,473	304,475
Other trading activities	5	104,414	-	104,414	93,626
Investments	6	4,218	-	4,218	55
Other income	7	-	-	-	3,714
<b>Total income</b>		<b>462,331</b>	<b>-</b>	<b>462,331</b>	<b>434,934</b>
<b>Expenditure on</b>					
Raising funds	8	93,001	-	93,001	105,183
Charitable activities	8	370,526	3,500	374,026	341,247
<b>Total expenditure</b>		<b>463,527</b>	<b>3,500</b>	<b>467,027</b>	<b>446,430</b>
<b>Net Expenditure/Income (-)</b>	12	<b>1,196</b>	<b>3,500</b>	<b>4,696</b>	<b>11,496</b>
Transfer between Funds					
		-	-	-	-
<b>Reconciliation of funds</b>					
Total funds brought forward	17	<b>478,774</b>	<b>3,500</b>	<b>482,274</b>	<b>493,770</b>
Total funds carried forward	17	<b>477,578</b>	<b>-</b>	<b>477,578</b>	<b>482,274</b>

All income and expenditure derives from continuing activities.

**BRANCHING OUT  
BALANCE SHEET  
YEAR ENDED 31 MARCH 2023**

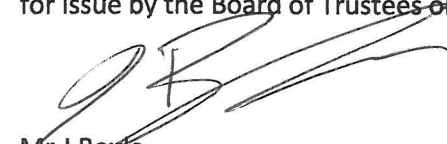
		at 31 March 2023		at 31 March 2022	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	13		123,560		120,387
<b>Current Assets</b>					
Debtors	14	14,040		13,572	
Cash at bank and in hand		351,137		360,138	
		365,177		373,710	
<b>Current Liabilities</b>					
Creditors: Amounts falling due in one year	15	-11,159		-11,823	
<b>Net Current Assets</b>			<b>354,018</b>		<b>361,887</b>
<b>Total Assets</b>			<b>477,578</b>		<b>482,274</b>
<b>Represented by:</b>					
<b>Charity Funds</b>					
<b>Unrestricted funds</b>					
General Fund	17		215,527		219,894
Designated Funds	17		262,051		258,880
<b>Restricted Funds</b>	17		-		3,500
<b>Total Funds</b>			<b>477,578</b>		<b>482,274</b>

For the year ending 31 March 2023, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements (which include the notes on pages 14 to 25 ) were approved and authorised for issue by the Board of Trustees on 21 September 2023 and signed on their behalf, by:

  
Mr J Boyle  
Chairperson

  
Mr J Hummersone  
Trustee and Treasurer

# **BRANCHING OUT**

## **NOTES TO THE FINANCIAL STATEMENTS**

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

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#### **1. GENERAL INFORMATION**

- 1.1 Branching Out is a Charity that is a Private Limited Company by guarantee which is registered in England & Wales. The principal office is 27 Grange Lane, Littleport Ely, Cambridgeshire, CB6 1HW.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparation of the financial statements**

- 2.1 The financial statements have been prepared in accordance with 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 Section 1A) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.
- 2.2 Branching Out meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.
- 2.3 The accounts are presented in British Pound Sterling which is the functional currency of the Charity, rounded to the nearest Pound.

##### **Company status**

- 2.4 The Charity is a Company limited by guarantee. The members of the Charity comprise the Trustees, service users, staff and other supportive members who provide services to the Charity. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The country of incorporation is the United Kingdom and registered office details are included within the reference and administration details on page 3.

##### **Fund accounting**

- 2.5 General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.
- 2.6 Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.
- 2.7 Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## **BRANCHING OUT**

### **NOTES TO THE FINANCIAL STATEMENTS**

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

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#### **Income**

- 2.8 All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.
- 2.9 Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.
- 2.10 Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised and readers should refer to the Trustees' report for more information about their contribution.
- 2.11 Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.
- 2.12 Income from grants whether 'capital' or 'revenue' is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- 2.13 Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank. The (fixed) interest for term deposits, which is actually received on the anniversary of the deposit, is accrued and credited in the year to which the interest relates.

#### **Expenditure**

- 2.14 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. 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 allocated on the portion of the asset's use.
- 2.15 Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

## **BRANCHING OUT**

### **NOTES TO THE FINANCIAL STATEMENTS**

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

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- 2.16 Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Charity is demonstrably committed to either:
- Terminate the employment of an employee or group of employees before normal retirement date; or
  - Provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.17 Expenditure on raising funds is cost incurred in attracting voluntary income, and in trading activities that raise funds.

2.18 Expenditure on charitable activities are costs incurred to enable the Charity to meet the charitable objectives of the organisation.

#### **Pensions**

2.19 The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year. The assets of the scheme are held separately from that of the Charity in an independently administered fund.

#### **Tangible fixed assets and depreciation**

2.20 All fixed assets are initially recorded at cost (including VAT where applicable). A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating income and expenditure account.

2.21 From 1 April 2021 tangible fixed assets costing more than £750 have been treated as capital in these accounts. Prior to this tangible assets costing more than £250 were treated as capital.

2.22 Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less estimated residual value, over their expected useful lives on the following bases:

Freehold Property	- over 25 years (straight line basis)
Long Term Leasehold Property	- over the term of the lease (straight line basis)
Plant and Machinery	- between 2 and 10 years (straight line basis)

#### **Operating leases**

2.23 Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### **Stocks**

2.24 Donated items of stock for resale or distribution are not recognised in the accounts until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which records these items until they are sold and undertaking a stock take incurs undue cost and effort for the Charity which far outweigh the benefits. There are no bought-in stock items.

**BRANCHING OUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Debtors**

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

**Cash at bank and in hand**

- 2.26 Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Liabilities and provisions**

- 2.27 Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payment for the goods or services it must provide.

**Financial instruments**

- 2.28 The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value which is their cost with the exception of fixed assets which are recorded at depreciated historical cost.

**Going concern**

- 2.29 The accounts have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the level of expected income and expenditure for the 12 months from the date of signing these accounts and are satisfied that the Charity will continue as a going concern.

- 2.30 The Trustees have considered the effects of the COVID-19 pandemic and consider there is no material impact on the Charity.

**Estimates and significant accounting policies**

- 2.31 In preparing these accounts there are no significant estimates or accounting policies used which could materially alter the results for the year (2022: none).

**Government grants**

- 2.32 Grants are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the Charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

**Taxation**

- 2.33 The Company is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable Company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within the categories covered by Chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**3. DONATIONS AND LEGACIES**

	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Unrestricted Funds</b>		
Donations	23,226	15,463
Grants	-	-
	<u>23,226</u>	<u>15,463</u>
<b>Restricted Funds</b>		
Donations	-	565
Grants	-	17,036
	<u>-</u>	<u>17,601</u>
<b>Total</b>	<u><b>23,226</b></u>	<u><b>33,064</b></u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Unrestricted Funds</b>		
Service User Income	326,439	301,556
Horticulture	4,034	2,919
	<u>330,473</u>	<u>304,475</u>

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Unrestricted Funds</b>		
Fundraising	3,294	1,942
Littleport Charity Shop	75,707	65,320
Rental Income	10,020	10,380
Ebay Sales	15,138	15,761
Other	255	224
	<u>104,414</u>	<u>93,626</u>

**6. INVESTMENT INCOME**

	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Unrestricted Funds</b>		
Bank Interest Receivable	4,218	55
	<u>4,218</u>	<u>55</u>

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**7. OTHER INCOME**

	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Unrestricted Funds</b>		
COVID Retail Grant	-	2,667
COVID Job Retention Scheme Grant	-	1,047
	<u>-</u>	<u>3,714</u>

**8. ANALYSIS OF EXPENDITURE BY ACTIVITY**

	<b>Direct Costs</b>	<b>Support Costs (Note 9)</b>	<b>Total Costs 2022/23</b>
	£	£	£
Costs of raising funds	59,946	33,055	93,001
Charitable Activities:			
To support adults with learning difficulties	272,747	101,279	374,026
<b>Total</b>	<u>332,693</u>	<u>134,334</u>	<u>467,027</u>

All 2022/23 expenditure was unrestricted, except for Charitable Activities of £3,500 which was restricted.

**Analysis of expenditure by activity - prior year**

	<b>Direct Costs</b>	<b>Support Costs (Note 9)</b>	<b>Total Costs 2021/22</b>
	£	£	£
Costs of raising funds	65,007	40,176	105,183
Charitable Activities:			
To support adults with learning difficulties	242,852	98,395	341,247
<b>Total</b>	<u>307,859</u>	<u>138,571</u>	<u>446,430</u>

All 2021/22 expenditure was unrestricted, except for Charitable Activities of £18,937 which was restricted.

**BRANCHING OUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**9. SUPPORT COSTS**

	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Unrestricted Funds</b>		
Premises	12,995	16,900
Wages and Salaries	96,245	97,090
Governance Costs (Note 10)	10,921	8,707
Other	13,996	15,874
	<b><u>134,157</u></b>	<b><u>138,571</u></b>

**10. GOVERNANCE COSTS**

	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Unrestricted Funds</b>		
Independent Examination Fee	2,200	2,100
Auditor remuneration - prior years	-	-654
Other professional services	8,721	7,261
	<b><u>10,921</u></b>	<b><u>8,707</u></b>

**11a. STAFF COSTS**

	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Unrestricted Funds</b>		
Wages and Salaries	319,257	289,234
Employer's National Insurance	19,696	17,136
Employer's Pension Contributions	5,924	5,421
	<b><u>344,877</u></b>	<b><u>311,791</u></b>

The average number of persons employed by the Charity during the year was as follows:

	<b>2022/23</b>	<b>2021/22</b>
Charitable Activity Staff	9.7	9.2
Fundraising and Trading Staff	4.7	5.3
Administrative Staff	3.8	3.7
	<b><u>18.2</u></b>	<b><u>18.2</u></b>

**11b. KEY MANAGEMENT PERSONNEL**

No employee received remuneration of more than £60,000 in either year.

The Charity considers its key management personnel to comprise 3 people. During the year, the total employment benefits of these 3 key management personnel, salary, employer's national insurance and pension contributions, was £124,175 (2022: £121,276).

**BRANCHING OUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**12. NET EXPENDITURE/INCOME (-)**

Net Income/Expenditure is stated after charging:

	2022/23	2021/22
	£	£
<b>Unrestricted Funds</b>		
Independent Examination fee	2,200	2,100
Auditor remuneration - current year	-	-
Auditor remuneration - prior year	-	-654
Depreciation	22,510	21,226
Operating Lease Rentals - Land and Buildings	5,000	5,000
	<u>29,710</u>	<u>27,672</u>

**13. TANGIBLE FIXED ASSETS**

	Freehold Property £	Long Term Leasehold Property £	Plant and Machinery £	Total £
<b>Cost</b>				
At 1 April 2022	125,003	244,922	61,366	431,291
Additions	25,684	-	-	25,684
Disposals	-	-	-	-
<b>At 31 March 2023</b>	<b>150,687</b>	<b>244,922</b>	<b>61,366</b>	<b>456,975</b>
<b>Depreciation</b>				
At 1 April 2022	76,492	194,016	40,396	310,904
Charge for the year	6,260	11,259	4,992	22,511
On disposals	-	-	-	-
<b>At 31 March 2023</b>	<b>82,752</b>	<b>205,275</b>	<b>45,388</b>	<b>333,415</b>
<b>Net Book Value</b>				
<b>At 31 March 2023</b>	<b>67,935</b>	<b>39,647</b>	<b>15,978</b>	<b>123,560</b>
At 31 March 2022	48,511	50,906	20,970	120,387

**14. DEBTORS**

	2022/23	2021/22
	£	£
Trade Debtors	7,145	8,913
Other Debtors	-	-
Prepayments and Accrued Income	6,895	4,659
	<u>14,040</u>	<u>13,572</u>

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**15. CREDITORS**

	<b>2022/23</b>	<b>2021/22</b>
	£	£
Trade Creditors	2,137	2,684
HMRC	4,579	4,933
Other Creditors	3,917	3,967
Accruals and Deferred Income	526	239
	<b>11,159</b>	<b>11,823</b>

**16. ANALYSIS OF ASSETS AND LIABILITIES REPRESENTING EACH OF THE CHARITY'S FUNDS**

**Current Year 2022/23**

	<b>Unrestricted Funds 2022/23</b>	<b>Restricted Funds 2022/23</b>	<b>Total Funds 2022/23</b>
	£	£	£
Tangible Fixed Assets	123,560	-	123,560
Current Assets	365,177	-	365,177
Creditors due within one year	-11,159	-	-11,159
<b>Total</b>	<b>477,578</b>	<b>-</b>	<b>477,578</b>

**Prior Year 2021/22**

	<b>Unrestricted Funds 2021/22</b>	<b>Restricted Funds 2021/22</b>	<b>Total Funds 2021/22</b>
	£	£	£
Tangible Fixed Assets	120,387	-	120,387
Current Assets	370,210	3,500	373,710
Creditors due within one year	-11,823	-	-11,823
<b>Total</b>	<b>478,774</b>	<b>3,500</b>	<b>482,274</b>

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**17. STATEMENT OF FUNDS**

**Current Year 2022/23**

	Balance at 01-Apr-22 £	Incoming Resources £	Outgoing Resources £	Transfers In/Out £	Balance at 31-Mar-23 £
<b>Unrestricted Funds</b>					
<b>Designated Funds</b>					
Fixed Asset Fund	120,386	-	-	3,171	123,557
Emergency Operating Reserve	110,000	-	-	-	110,000
Replacement Fund	26,494	-	-	-	26,494
Emergency Fund	2,000	-	-	-	2,000
<b>Total Designated Funds</b>	<b>258,880</b>	<b>-</b>	<b>-</b>	<b>3,171</b>	<b>262,051</b>
<b>General Fund</b>	<b>219,894</b>	<b>462,331</b>	<b>463,527</b>	<b>-3,171</b>	<b>215,527</b>
<b>Total Unrestricted Funds</b>	<b>478,774</b>	<b>462,331</b>	<b>463,527</b>	<b>-</b>	<b>477,578</b>
<b>Restricted Funds:-</b>					
Just Giving Donations	-	-	-	-	-
Co-op Home Group	-	-	-	-	-
Infection Control Grants	3,500	-	3,500	-	-
<b>Total Restricted Funds</b>	<b>3,500</b>	<b>-</b>	<b>3,500</b>	<b>-</b>	<b>-</b>
<b>Total all Funds</b>	<b>482,274</b>	<b>462,331</b>	<b>467,027</b>	<b>-</b>	<b>477,578</b>

**Prior Year 2021/22**

	Balance at 01-Apr-21 £	Incoming Resources £	Outgoing Resources £	Transfers In/Out £	Balance at 31-Mar-22 £
<b>Unrestricted Funds</b>					
<b>Designated Funds</b>					
Fixed Asset Fund	129,116	-	-	-8,730	120,386
Emergency Operating Reserve	110,000	-	-	-	110,000
Replacement Fund	26,494	-	-	-	26,494
Emergency Fund	2,000	-	-	-	2,000
<b>Total Designated Funds</b>	<b>267,610</b>	<b>-</b>	<b>-</b>	<b>-8,730</b>	<b>258,880</b>
<b>General Fund</b>	<b>221,345</b>	<b>417,333</b>	<b>427,493</b>	<b>8,709</b>	<b>219,894</b>
<b>Total Unrestricted Funds</b>	<b>488,955</b>	<b>417,333</b>	<b>427,493</b>	<b>-21</b>	<b>478,774</b>
<b>Restricted Funds:-</b>					
Just Giving Donations	-	565	565	-	-
Co-op Home Group	811	1,137	1,948	-	-
Infection Control Grants	4,004	15,899	16,424	21	3,500
<b>Total Restricted Funds</b>	<b>4,815</b>	<b>17,601</b>	<b>18,937</b>	<b>21</b>	<b>3,500</b>
<b>Total all Funds</b>	<b>493,770</b>	<b>434,934</b>	<b>446,430</b>	<b>-</b>	<b>482,274</b>

The 2022/23 transfers relate to the capitalisation of applicable costs to Fixed Assets and charges for depreciation.

The 2021/22 transfers relate to the capitalisation of applicable costs to Fixed Assets, charges for depreciation and the writing out of assets with an original cost price of less than £750. The £21 transfer relating to Infection Control Grants corrected a minor error in 2020/21.

[Note continued on next page...]

## BRANCHING OUT

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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The purpose of each Reserve/Fund detailed above is set out in the Charity's Financial Regulations (Investment Policy). The Policy is reproduced below:

#### Restricted Funds

Any grants or donations where donors specify terms and conditions are classified as 'restricted.' Trustees cannot redirect these funds. If the funds cannot be spent in the year of receipt, any unspent balances are carried forward as Restricted Funds into the following financial year.

Just Giving Donations	Funds received to support Service Users in their own homes during periods of self isolation with covid.
Co-op Home Group	Funds received to buy equipment to help school leavers with learning disabilities who are not able to access physical support services during the covid pandemic.
Infection Control Grants	Grant received from County Council to finance the additional staff costs relating to covid testing for service users and staff.
Replacement PPE	Donations received to help finance the cost of new PPE for covid.

#### Unrestricted Funds – Designated

The Board has chosen to 'ring-fence' some unrestricted general funds, these are categorised as 'Designated':

**Fixed Asset Fund.** This fund represents the value of the Charity's fixed assets. The value cannot be realised and is therefore 'unusable.'

**Emergency Operating Fund.** This contingency fund represents approximately 3 months turnover and would, effectively, keep the Charity solvent in the event of a severe funding shortfall or be sufficient to deal with winding up costs.

**Replacement Fund.** This fund will finance the replacement of assets necessary for the continued operation of the Charity. These costs may be irregular and significant.

**Emergency (assistance) Fund.** This is a hardship fund set up by the Charity and originally financed from interest on investments. The fund can be used for grants to applicants who meet our criteria and who are suffering genuine hardship, e.g. to purchase household essentials such as a bed, fridge, or oven.

#### Unrestricted Funds - General

The General Fund is available to the Trustees to be allocated as required. This fund represents the working capital of the Charity, absorbing the cash flow fluctuations during the year but, more importantly, can be used to:

- support the budget (e.g., during periods where income is restricted),
- support future projects for service users,
- finance capital spending needs (e.g., repairs/alterations to buildings and renewal of technology, if no provision in the Replacement Fund),

## 18. PENSION COMMITMENTS

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £5,924 (2022: £5,421). Contributions totalling £943 (2022: £1,101) were payable to the fund at the balance sheet date and are included in creditors.

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**19. OPERATING LEASE COMMITMENTS**

**LESSEE:**

At 31 March 2023 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	<b>Land and Buildings</b>	
	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Amounts payable</b>		
Within 1 year	5,000	5,000
Between 1 and 5 years	20,000	20,000
After more than 5 years	5,000	5,000
<b>Total</b>	<u><b>30,000</b></u>	<u><b>30,000</b></u>

**LESSOR:**

At 31 March 2023 the Charity had agreed commitments as a lessor under non-cancellable operating leases to receive the receipts as follows:

	<b>Land and Buildings</b>	
	<b>2022/23</b>	<b>2021/22</b>
	£	£
<b>Amounts receivable</b>		
Within 1 year	5,160	4,800
	<u><b>5,160</b></u>	<u><b>4,800</b></u>

**20. RELATED PARTY TRANSACTIONS**

No Trustee received any emoluments during this year or last and there were no Trustee expenses incurred in either 2022/23 or 2021/22.

There are no other related party transactions to note.