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Charity Registration No. 1050876

Company Registration No. 03085148 (England and Wales)

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L Alford C Cordingley S Lang D Yarwood
Secretary	B Henderson
Charity number	1050876
Company number	03085148
Registered office	Off Folkwood Road Ringinglow Road Sheffield S11 7TB
Independent examiner	Hart Shaw LLP Europa Link Sheffield Business Park Sheffield S9 1XU
Bankers	HSBC Bank Plc Camel House 49-63 Fargate Sheffield S1 2HD

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

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WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The year of 2020 was an unpredictable and potential worrying time for WORK Ltd due to the Covid 19 pandemic. We had to adapt very quickly to the new working conditions, ensure our students and staff were kept safe and implement new ideas to reduce huge financial implications.

WORK Ltd began with around a dozen students in 1995. From these humble beginnings, it has grown dramatically and now serves over 87 learning disabled students each week drawn from right across the city of Sheffield.

It is vital that individuals find the right, personalised support to lead a full and interesting life and have the same opportunities as everyone else. At WORK Ltd we aim to provide a friendly, encouraging and rewarding environment. We create opportunities in the form of hands-on work projects for adults with learning disabilities to develop life skills, which help to build confidence and self-esteem. These activities include woodwork, gardening, textiles, arts & crafts, nature walks, sports, dance, music and drama.

We passionately believe that our caring, supportive and rewarding community-based environment encourages our students to reach their full potential – and so 'achieve their dreams'. Through these activities, our 'students' have blossomed with many never previously appreciating just what they could achieve. One student's parent commented, "WORK Ltd has provided the best of services for my adult daughter. She has done things I wouldn't have thought possible. She loves going there. She is well cared for and her opinions are respected. She feels she belongs. In her own words, 'brilliant!' Such peace of mind that you have what you need and from such caring, happy and dedicated people."

Charitable purposes (Public Benefit)

In setting plans and priorities for areas of work the Board of WORK Ltd has had regard to the guidance from the Charity Commission on the provision of Public Benefit, with particular attention paid to how planned activities will contribute to meeting the objectives of WORK Ltd.

The Trustees confirm that they have complied with the duty in section 4 of the 2011 Charity Act to have due regard to guidance published by the Charity Commission regarding public benefit.

Significant activities

The various projects that are carried out at WORK Ltd by the students include:

Main Workshop – Staffed by qualified Tutors, support assistants and volunteers and where all main assembly work is done including arts and crafts, painting, printing and woodwork.

Glass Room – Where stained glass products are made by the students.

Resource/Student Kitchen – This multifunctional area is staffed by qualified Tutors. Our fully equipped home from home kitchen is where our students learn basic life skills from washing, healthy living to cooking. Our students learn the importance of a healthy diet and are taught how to cook simple recipes. As well as the kitchen area the resource room is used as a clean space to create bespoke textiles.

The Hidden Gem Café – This is where our students are taught to serve tea and coffee, clear tables and interact with our many customers. Our students also work alongside our chefs learning basic food hygiene and food preparation.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Training and Support Projects

WORK Ltd continues to provide intensive, person-centred training programmes. These include healthy eating, food preparation, catering, woodwork and horticulture. Creative crafts, such as knitting, sewing, art, training in music, drama, dance, exercise, personal expression, literacy and reading skills, from important aspects of our development programmes. We have qualified teachers employed as our Tutors.

The quality of goods produced by our students are exceptional and we only purchase a small amount of goods from outside suppliers which compliments what is made on site by our students. This is not only more profitable for us but helps to build the self-esteem of the students.

In addition, WORK Limited provides ongoing training and advocacy skills to enable students to identify what they would like to achieve and need to achieve, giving student's fulfilment in their learning and development. Staff provide support on a wide range of issues from relationships to bereavement. Mechanisms are in place to refer to specialised professionals if required.

Individual practical support is given to carers to enable them to have access to relevant information, service and advice.

Achievements and performance

The Coronavirus Pandemic had a huge effect on our achievements and Performance. Fund raising events had to be cancelled, our café/shop had to close and we had to switch to remote working. Our main focus was continuing the interaction with our students and making sure they were safe and their mental health wasn't being affected. We soon adapted to the new way of working and were able to run our classes via zoom with our students on a daily basis, we sent out work packs and when restrictions were lifted we visited each student in their gardens until we were able to welcome them back to work.

We wanted to continue selling our students crafts so decided to put together "Happy Hampers" which we sold through our Etsy online shop as well as our students crafts. This allowed us to continue receiving a small amount of revenue and branch out to new customers all over the UK.

Despite the negatives and all the uncertainty, we still increased our student numbers and recruited a support worker to accommodate the increase in numbers.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The results for the year ended 31 December 2020 shows a surplus of £40,584 after charging depreciation of £29,375.

The total income for the year of £720,455 is an 3.1% decrease on the previous year. Donations and fund-raising activities were £28,450 (2019 - £7,751) and café and shop sales have decreased to £171,459 (2019 - £324,336), directly as a result of closure for prolonged periods due to COVID-19.

Support costs totalled £284,356 compared to £276,862 in the previous year.

The forecast for the current year is again that there will continue to be sufficient income to meet all costs but without sufficient ability to invest in future developments.

Reserves and Leasehold Improvements

The Trustees seek to keep a minimal level of unrestricted funds to ensure the charity remains a going concern and sufficient unrestricted funds to cover known commitments. They have assessed the risk to the charity's ongoing income and the level of reserves required has been determined taking in to account the current economic climate and local and national government policies. The appropriate reserves level has been set at 4 months of the current rate of expenditure. Even at this level, the charity would face severe difficulties in seeking to replace any lost income over such a relatively short period.

At this year end the unrestricted funds were £355,859 which equates to just under 6 months of charitable expenditure. The Trustees consider this to be acceptable in the short term but will work towards achieving the target of 4 months at the earliest opportunity.

The Asset Replacement Fund has been formed as an essential means of enabling the Trustees to replace core fixed assets when required.

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 the major risks.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for the future

The Trustees and Managers of WORK Ltd have put in place a number of incentives to enable successful achievement of the organisations aims and objectives, over the next 3-5 years. These include:

Hidden Gem Cafe: In the shorter term we plan to recruit a new, full time chef to support the day to day operation of the cafe. This could prove difficult due to the fact there is a huge shortage of hospitality staff because of the recent pandemic.

We are also aiming to start an Afternoon Tea service (Fizz Afternoon Teas) which will run in the Cafe extension on a Friday and a Sunday. This will boost our revenue and offer something different to the normal daily menu, keeping things fresh and interesting. Once again we must be sure that we have staff available to work potential new and additional hours.

Another short term goal is to change the terms within the lease as to how the cafe operates, and is allowed to operate, including applying for a license to serve alcohol. The obstacle here is that this is determined by the council, who will have to run checks to make sure we meet their particular criteria. If we cannot get the lease renewed this will restrict the hours in which the cafe can operate.

Looking a little further ahead to the medium term, we plan to expand the number and variety of events the cafe holds, including bringing back our bistro nights and running themed nights every month, plus potentially opening in the evening a couple of nights a week. This will increase our revenue but again it depends on having the necessary staff to work, and the success of the lease changes and renewal.

Workshop and Resource: In the short term we plan to recruit two new full time members of staff one who will be a support worker and one an assistant coordinator. We are also working on a restructuring of the current staff teams to help strengthen each department, and to more efficiently utilize their individual strengths and talents to increase the level of service that we can provide to our students.

Another shorter term goal is to introduce some new skills to the existing curriculum. We plan to expand upon our art classes and begin a new photography class, with the intention of attending and participating in exhibitions at some time in the future.

It is beneficial for us to have a steady influx of new students at the end of every school year, and soon we intend to begin hosting open evenings again, to build and secure relationships with the corresponding agencies involved, as well as the new students and their families.

Funding Projects: The container opposite the pavillon is currently in use as a management office. One of our short term goals is to convert it into a fully functional staff room with decking built around the rear.

Looking into the medium term, it is our wish to secure the old pavilion and it's premises, and to rebuild it into a brand new workshop space. The new workshop will be fully ventilated and be equipped with all the necessary tools and machinery, as well as workbenches for the students and a wood storage area. This project's success will depend on our application being granted by the council, funding for the project having been secured, and the feasibility study being carried out in the appropriate time scale.

A longer term goal is to demolish the current workshop and to rebuild a larger two storied structure. This new space is then to be used for office space, fully equipped classrooms, a quiet area, and a designated eating area for staff and students. As stated, the old pavilion by the car park will become the new workshop area. This expansion will depend on the planning permission and funding situation, as well as us being granted permission to use the pavillon.

The need for and the call upon the charity's services from learning disabled adults across the city continues to grow. There continues to be a need to seek additional, outside funding for key projects to empower the Trustees to make the investments in the new developments that are essential to enable the charity to continue to meet these vitally important needs from some of the most vulnerable members of society. We are investing time in applying for large specific grants as well as working hard on getting donations via other means such as Become a friend of WORK (a monthly donation amount), Pop up shops, Festivals, concerts, becoming company's charities of the year, and setting up a Just giving account. By doing this we are hoping it will secure and provide much needed funding.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

Worthwhile Occupational and Recreational Krafts Ltd (WORK) is a charitable company limited by guarantee incorporated in England and Wales. It is governed by a Memorandum and Articles of Association. The charity and company registration numbers and registered office are set out within "Legal and Administrative Information".

Members of the board, who are directors for the purpose of company law and trustees for the purpose of the charity law, who served during the year and up to the date of this report are set out on page 1. In this report the board members are referred to as trustees although they have a dual role as directors.

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

Trustees are recruited based on their skills and as far as possible matched to the skills required by the Board.

The charity seeks new trustees from time to time through known contacts. If a person makes it known they are interested in becoming a trustee, they are invited to attend an interview with one or more of the trustees. The appointment is then considered by the full board. New trustees receive induction training about the aims, objectives and activities of the charity and made aware of their responsibilities as trustees.

The senior management team in charge of the day to day management of the company are D Wilson, G Philliskirk and SJ Field.

Charity Information

The charity and company registration numbers, registered address and details of relevant organisations providing services to the charity are set out on the company information page.

The effects of COVID-19 to our Centre and Cafe

As a result of the Government lockdown on the 23rd of March our Centre and our Hidden Gem Cafe closed its doors.

The Centre continued to operate on a small scale with seven key members of staff who have continued to run the business from home. This enabled us to keep daily contact with all our students and their families. Our tutors also provided our students with projects to participate in whilst at home including regular Zoom sessions.

We were able to continue and complete one of our funded building projects during the closure. However our income has been affected and under the current climate there is every chance that this may continue.

We were able to secure a grant from Sheffield City Council and access a small grant from the Duke of Devonshire's Trust which we are grateful for.

Our Cafe opened on Tuesday 21st July 2020. Our Centre will open to a limited number of students on Monday the 3rd of August.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The effects of lockdown;

- Loss of income from the Cafe closure
- Reduction of volume of customers into the Cafe due to social distancing
- Loss of income from sales of our students hand made goods
- Cancellation of our annual Summer Fair and possibly our Christmas Fair, both which are pivotal to our fundraising
- Possible reduction from students due to vulnerability and some choosing not to attend or reduce their attendance to WORK LTD
- We may face Potential restructure/redundancies in the future

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



C Cordingley

Trustee

Dated: 7 October 2021

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

I report on the financial statements of the charity for the year ended 31 December 2020, which are set out on pages 8 to 23.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of Worthwhile Occupational & Recreational Krafts Limited for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of ICAEW, which is one of the listed bodies.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

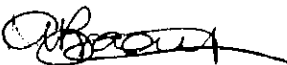
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



N Bracey ACA
Hart Shaw LLP

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Dated: 6 December 2021

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Income and endowments from:</u>							
Donations and legacies	2	13,450	15,000	28,450	7,751	-	7,751
Charitable activities	3	581,381	-	581,381	728,233	-	728,233
Other trading activities	4	138	-	138	7,480	-	7,480
Investments	5	164	-	164	403	-	403
Other income	6	110,322	-	110,322	-	-	-
Total income		705,455	15,000	720,455	743,867	-	743,867
<u>Expenditure on:</u>							
Charitable activities	7	666,709	13,162	679,871	768,727	11,806	780,533
Net Incoming/ (outgoing) resources before transfers		38,746	1,838	40,584	(24,860)	(11,806)	(36,666)
Gross transfers between funds		7,144	(7,144)	-	11,046	(11,046)	-
Net income/(expenditure) for the year/ Net movement in funds		45,890	(5,306)	40,584	(13,814)	(22,852)	(36,666)
Fund balances at 1 January 2020		509,969	5,354	515,323	523,783	28,206	551,989
Fund balances at 31 December 2020		555,859	48	555,907	509,969	5,354	515,323

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.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		283,706		273,173
Current assets					
Stocks	13	1,386		3,336	
Debtors	14	44,290		22,588	
Cash at bank and In hand		250,843		264,970	
		<u>296,519</u>		<u>290,894</u>	
Creditors: amounts falling due within one year	15	<u>(20,578)</u>		<u>(48,744)</u>	
Net current assets			275,941		242,150
Total assets less current liabilities			<u>559,647</u>		<u>515,323</u>
Provisions for liabilities			(3,740)		-
Net assets			<u>555,907</u>		<u>515,323</u>
Income funds					
Restricted funds	17		48		5,354
<u>Unrestricted funds</u>					
Designated funds	18	200,000		200,000	
General unrestricted funds		<u>355,859</u>		<u>309,969</u>	
			<u>555,859</u>		<u>509,969</u>
			<u>555,907</u>		<u>515,323</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

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

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

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

The financial statements were approved by the Trustees on 7 October 2021



C Cordingley
Trustee

Company Registration No. 03085148

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	22		25,617		10,289
Investing activities					
Purchase of tangible fixed assets		(39,908)		(42,022)	
Interest received		164		403	
Net cash used in investing activities			(39,744)		(41,619)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(14,127)		(31,330)
Cash and cash equivalents at beginning of year			264,970		296,300
Cash and cash equivalents at end of year			<u>250,843</u>		<u>264,970</u>

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity Information

Worthwhile Occupational & Recreational Krafts Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Off Folkwood Road, Ringinglow Road, Sheffield, S11 7TB.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. 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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The costs of raising and administering such funds are charged against the specific fund.

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.

Gifts in kind, donated for distribution are included at valuation and recognised as income when distributed to the projects. 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.5 Resources expended

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

1.6 Tangible fixed assets

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

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

Leasehold land and buildings	Over the term of the lease
Plant and equipment	15% reducing balance
Fixtures and fittings	25% reducing balance

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is calculated using the first in, first out formula.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand.

1.9 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.

Basic financial assets

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

Basic financial liabilities

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

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.11 Retirement benefits

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

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020	2020	2020	2019
	£	£	£	£
Donations and gifts	13,450	-	13,450	7,751
General grants	-	15,000	15,000	-
	<u>13,450</u>	<u>15,000</u>	<u>28,450</u>	<u>7,751</u>

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Charitable activities	Student support grants 2020 £	Sale of merchandise 2020 £	Total 2020 support grants £	Student grants 2019 £	Sale of merchandise 2019 £	Total 2019 £
Sales within charitable activities	409,922	171,459	581,381	403,897	324,336	728,233

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Fundraising events	138	7,480
	<u>138</u>	<u>7,480</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	164	403
	<u>164</u>	<u>403</u>

6 Other income

	Unrestricted funds	Total
	2020	2019
	£	£
Coronavirus job retention scheme grant	94,777	-
Other coronavirus funding	15,545	-
	<u>110,322</u>	<u>-</u>

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	2020 £	2019 £
Staff costs	328,589	368,885
Cost of sales	66,926	134,786
	<u>395,515</u>	<u>503,671</u>
Share of support costs (see note 8)	259,288	257,852
Share of governance costs (see note 8)	25,068	19,010
	<u>679,871</u>	<u>780,533</u>
Analysis by fund		
Unrestricted funds	666,709	768,727
Restricted funds	13,162	11,806
	<u>679,871</u>	<u>780,533</u>

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	146,862	-	146,862	131,293	-	131,293
Depreciation	29,375	-	29,375	28,275	-	28,275
Consumables	41,591	-	41,591	36,712	-	36,712
Insurance	8,083	-	8,083	10,067	-	10,067
Advertising	5,396	-	5,396	5,157	-	5,157
Motor and travel	2,663	-	2,663	5,322	-	5,322
Utilities	12,366	-	12,366	17,024	-	17,024
Rent, rates and refuse	1,017	-	1,017	1,715	-	1,715
Office costs	7,434	-	7,434	8,463	-	8,463
Sundry expenses	4,501	-	4,501	14,184	-	14,184
Bad debts	-	-	-	(360)	-	(360)
Accountancy fees	-	4,430	4,430	-	5,317	5,317
Bank charges	-	2,056	2,056	-	3,268	3,268
Legal and professional	-	5,246	5,246	-	4,709	4,709
Partial exemption VAT	-	13,336	13,336	-	5,716	5,716
	<u>259,288</u>	<u>25,068</u>	<u>284,356</u>	<u>257,852</u>	<u>19,010</u>	<u>276,862</u>
Analysed between						
Charitable activities	<u>259,288</u>	<u>25,068</u>	<u>284,356</u>	<u>257,852</u>	<u>19,010</u>	<u>276,862</u>

9 Independent examiner's remuneration

The independent examiners remuneration amounts to an independent examination fee of £2,650 (2019 - £2,450) and other services of £1,221 (2019 - £1,185).

10 Trustees and key management personnel remuneration and expenses

None of the trustees received any remuneration or benefits from the charity during the year.

None of the trustees received any expenses from the charity during the year.

Remuneration to key management personnel has been disclosed in note 18.

The charity paid insurance of £8,083 (2019 - £10,067) which included trustees Indemnity insurance.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	29	34
	<u>29</u>	<u>34</u>
Employment costs	2020	2019
	£	£
Wages and salaries	440,528	463,629
Social security costs	27,423	29,427
Other pension costs	7,500	7,122
	<u>475,451</u>	<u>500,178</u>

There are no employees who received total employee benefits (excluding employer pension costs) of more than £60,000.

12 Tangible fixed assets

	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2020	313,693	84,566	146,756	545,015
Additions	9,880	1,210	28,818	39,908
	<u>323,573</u>	<u>85,776</u>	<u>175,574</u>	<u>584,923</u>
Depreciation and Impairment				
At 1 January 2020	103,363	77,953	90,526	271,842
Depreciation charged in the year	10,441	1,237	17,697	29,375
	<u>113,804</u>	<u>79,190</u>	<u>108,223</u>	<u>301,217</u>
Carrying amount				
At 31 December 2020	<u>209,769</u>	<u>6,586</u>	<u>67,351</u>	<u>283,706</u>
At 31 December 2019	<u>210,330</u>	<u>6,613</u>	<u>56,230</u>	<u>273,173</u>

The trustees believe that the market value of the leasehold improvements is likely to be substantially lower than the continued use value, reflected in the financial statements.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Stocks	2020	2019
	£	£
Raw materials and consumables	1,386	3,336
	<u> </u>	<u> </u>
14 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	30,939	16,318
Prepayments and accrued income	13,351	6,270
	<u> </u>	<u> </u>
	<u>44,290</u>	<u>22,588</u>
15 Creditors: amounts falling due within one year	2020	2019
	£	£
Other taxation and social security	11,883	25,836
Trade creditors	1,564	15,025
Other creditors	927	2,440
Accruals and deferred income	6,204	5,443
	<u> </u>	<u> </u>
	<u>20,578</u>	<u>48,744</u>
16 Provisions for liabilities	2020	2019
	£	£
Coronavirus Job Retention Scheme repayment	3,740	-
	<u> </u>	<u> </u>
Movements on provisions:		Coronavirus Job Retention Scheme repayment £
Additional provisions in the year		3,740
		<u> </u>

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Restricted funds

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

	Balance at 1 January 2019		Resources expended		Transfers		Balance at 1 January 2020		Movement in funds			Balance at 31 December 2020	
	£	£	£	£	£	£	£	£	Incoming resources	Resources expended	Transfers	£	£
FB Bailey Thomas Charitable Trust - workshop	2,621	-	-	-	-	-	2,621	-	-	-	(2,621)	-	-
Big Lottery Fund	473	-	-	-	-	473	-	-	-	-	(473)	-	-
Bernard Sunley grant	84	-	-	-	-	84	-	-	-	-	(84)	-	-
Clothworkers grant	1,952	-	-	-	-	1,952	-	-	-	-	(1,952)	-	-
HSBC grant	22,242	(11,193)	-	(11,046)	-	3	-	-	-	-	(3)	-	-
JG Graves Charitable Trust	612	(612)	-	-	-	-	-	-	-	-	-	-	-
St James Place - office equipment	221	-	-	-	-	221	-	-	-	-	(221)	-	-
Bailey Thomas- student kitchen	-	-	-	-	-	-	-	15,000	(13,162)	(1,790)	-	-	48
	<u>28,206</u>	<u>(11,805)</u>	<u>(11,046)</u>	<u>5,354</u>	<u>15,000</u>	<u>(13,162)</u>	<u>(7,144)</u>						<u>48</u>

Transfers

During the year, £7,144 (2019: £11,046) was transferred from restricted funds to unrestricted funds. This transfer relates to the net book value of fixed assets purchased with restricted funds as the assets purchased are deemed to be of unrestricted use to the charity (£1,790). The remaining transfer relates to funds received in relation to restricted projects that have previously been taken on, and completed. Each project has been accepted as complete by the funding provider with no clawback, therefore any unspent funds are considered to be unrestricted.

Restricted fund balances

A balance of £48 from Bailey Thomas Charitable Trust. The grant was made to contribute towards the costs of a new student kitchen.

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Designated funds

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

	Balance at 1 January 2019	Movement in funds Incoming resources	Balance at January 2020	Movement in funds Incoming resources	Balance at 31 December 2020
	£	£	£	£	£
Asset replacement fund	200,000	-	200,000	-	200,000
	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>

WORTHWHILE OCCUPATIONAL & RECREATIONAL KRAFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	6,217	6,434
Between two and five years	656	6,785
	<u>6,873</u>	<u>13,219</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, is as follows.

	2020 £	2019 £
Aggregate compensation	<u>110,036</u>	<u>101,829</u>

22 Cash generated from operations

	2020 £	2019 £
Surplus/(deficit) for the year	40,584	(36,666)
Adjustments for:		
Investment income recognised in statement of financial activities	(164)	(403)
Depreciation and impairment of tangible fixed assets	29,375	28,275
Movements in working capital:		
Decrease/(increase) in stocks	1,950	(1,029)
(Increase)/decrease in debtors	(21,702)	3,259
(Decrease)/increase in creditors	(28,166)	16,853
Increase in provisions	3,740	-
Cash generated from operations	<u>25,617</u>	<u>10,289</u>

23 Analysis of changes in net funds

The charity had no debt during the year.