

The Life and Soul Kitchen Ltd
Report of the Trustees and Unaudited Financial Statements
For the Year Ended 31st March 2021

Registered Company Number: 03455469

Registered Charity Number: 1065618

Contents of the Financial Statements

For the year ended 31st March 2021

	Page
Report of the Trustees	1 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 14
Detailed Statement of Financial Activities	15

REPORT OF THE DIRECTORS AND TRUSTEES

For the year ended 31st March 2021

The directors and the trustees present their report with the financial statements of the charity for the year ended 31 March 2021. The accounts have been prepared in accordance with the provisions applicable to the small companies regime and in accordance with FRS102 Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS) 102.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03455469

Registered Charity number

1065618

Principal Office

Unit 1
Three Elms Trading Estate
Hereford
HR4 9PU

Registered office

1A The Homend
Ledbury
Herefordshire
HR8 1BN

Directors

A C Featherstone (Resigned 20th May 2021)
S Badham
B Morris (Appointed 23rd June 2021)

Trustees

A C Featherstone (Resigned 20th May 2021)
JC Morris
AP Taylor
B Morris
AJ Evans
B Edwards (Appointed 4th September 2020)

Independent examiner

Luke Keegan
Chartered Management Accountant
1A The Homend, Ledbury, Herefordshire, HR8 1BN

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The liability of each member is limited to £10.

Charity Structure

The charity has 6 serving trustees at the close of the financial period.

It holds 4 general meetings per year, one of which is the AGM. Any other business is conducted via supplementary, special or extra-ordinary general meetings as required.

Note on Business arrangements during 20/21 under covid restrictions. Due to the Coronavirus pandemic and its attendant lockdown restrictions, face to face meetings have not been possible. In 2 cases shielding has prevented Trustees visiting the café for most of the year. One full Trustee meeting took place under social distancing arrangements in October 2020, when 2 substantial decisions were made. Throughout the remainder of the year, decisions were taken by group email seeking individual responses to the secretary.

The day to day management of the business was undertaken by 2 directors. A Featherstone (voluntary) and S Badham (salaried) who report to the full board.

The charity recruits its trustees mainly from approaches to stakeholders from the community who possess skills pertinent to the management and furtherance of the charity's objectives. Any interested parties are interviewed by the existing trustees and their appointment ratified at the next formal general meeting. They are given induction training by the Secretary to the Trustees.

OBJECTIVES AND ACTIVITIES

Objectives and Purpose

- To promote the relief and education of persons who are disabled by the provision, equipping, operation and maintenance of a catering workshop and ancillary facilities for the employment or vocational training of such persons.
- The relief of the disabled by the provision of specialised information, counselling and or advice to disabled persons seeking employment and or vocational training.

Activities When not under lockdown or social distancing restrictions

- The operation of a full café service Monday to Friday from 9.00am to 4.30pm.
- The provision of a skills and vocational training service for adults with learning disabilities (When the café reopens, it will have capacity to offer 15 sessions initially, rising to 25 or more when restrictions are fully lifted).
- The employment of part time staff and volunteers to assist with the running of the business and to support the service users.
- Partnering with other local charities and local suppliers to provide a programme to regular activities to enhance the experiences for the both the trainees and the general public.
- Pursuing external funding to help with the expansion of the service offer, the ongoing refurbishment of the facility and to enable replacement of capital equipment.

ACHIEVEMENTS AND PERFORMANCE

Main Achievements

- This financial year, the café was unable to trade at all due to a combination of the Government's restrictions upon the hospitality industry and the need to undertake a comprehensive refurbishment to ensure it could comply with the new safety restrictions required to make the premises 'covid secure'.
- In October 2020, the charity was successful in securing £49,202 from the National Lottery Communities Fund to enable it to undertake all of the necessary refurbishment works, not only to make it become 'covid secure' but also to future proof the business until the end its current lease in 2026.
- In addition, the charity attracted a further £65,650 from other grants and donations to enable the café to continue trading post lockdown, and to support its extensive refurbishment programme.
- The securing of additional space for enhanced trading capacity in November 2020 through a deed of variation to the original lease agreement. The agreement provides for an additional 100 square metres of flexible activity space.
- The establishment of the café as a 'Talk Community Hub' in partnership with Herefordshire Council. The initiative, aimed at an expansion of the café's inclusion offering is due to go live in the early Summer of 2021.
- The development of an approved Reserves Policy for 21/22 and the allocation of an allocated reserve in accordance with its proposals. This will hedge against the risk of a potentially slow take up of trade following the easing of lockdown, and any other events adversely impacting on trade next year.
- The retention of 5 service users going forward into the next year. Attempts were made to keep all existing engaged with the refurbishment by inviting them to make socially distanced visits during the Autumn of 2020 when there was a slight temporary relaxation of the restrictions. Unfortunately, this had to be withdrawn on the second lockdown. Those able to, could continue to follow on Facebook.
- An application to the Department of Work and Pensions to offer 2 x unemployed young people, 16-24 years a 6 month training programme under the Government's Kick Start scheme.
- Finally, the development of a preferred contractor and supplier base to enable the café to provide enhanced business continuity in the event of stock shortages of unexpected system failures. In addition to this new resilience measure, over the Autumn and Winter periods, the café benefitted from the gifting of over 2,000 hours of volunteer time which enabled the refurbishment works to be completed both to time and to budget. Many of these volunteers were professionally qualified practitioners and/or tradesmen.

FINANCIAL REVIEW

Review of the charity's financial position at the end of the year

- During the year, there was limited trading in the café due to coronavirus restrictions/
- Grant funding did help to pay salaries and to allow for refurbishment and capital equipment purchases.
- There are no debts owed by the charity at the year end and the charity is in a position to meet its outstanding liabilities.

Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a level that equates to approximately three months of unrestricted expenditure. This level is not a fixed amount, and it must reflect the changing business environment and the circumstances to which the business may be required to respond, especially at very short notice.

The Trustees review the reserves level on a regular basis and have concluded that given inflationary pressures on utilities, services and stock purchases and the additional risk of further closures for the 2021/22 financial year an unrestricted reserve figure of £14,000 should be set for the year.

On the 31st March 2021, the charity had unrestricted reserves of £31,363.

The Trustees have considered the financial position of the charity and consider that the charity has been able to and remains able to fulfil its obligations for the foreseeable future.

DECLARATIONS

The company has taken advantage of the small companies' exemption in preparing the report above.

The trustees declare that they have approved the trustee's report (including director's report) above.

ON BEHALF OF THE BOARD:

B Morris

Date:

Independent Examiner's Report to the trustees of the Life and Soul Kitchen Ltd

I report on the accounts for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's 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 required.

Having satisfied myself that the charity is not subject to audit under the requirements of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the Charities Act 2011
- 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
- to state whether particular matters have come to my attention.

Basis of the 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, 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 accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 386 of the Companies Act 2006 or section 130 of the Charities Act 2011; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the relevant accounting requirements under section 396 of the Companies Act 2006 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;
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

Luke Keegan, Chartered Management Accountant

1A The Homend
Ledbury
Herefordshire, HR8 1BN

Date: 8th November 2021

Statement of financial activities (including summary income and expenditure account)

Recommended categories by activity	Notes	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
		£	£	£	£
Income					
Income and endowments from:					
Donations and legacies	3	66,588	49,202	115,790	16,423
Charitable activities	3	14,540	-	14,560	43,315
Investments	3	-	-	-	-
Other	3	115	-	115	194
Total		81,242	49,202	130,444	59,932
Expenditure					
Raising funds	4	-	-	-	-
Charitable activities	4	51,785	31,152	82,936	52,581
Administration and Governance	4	1,060	-	1,060	1,166
Total		52,845	31,152	83,996	53,747
Net gains on investments					-
Net income (expenditure)		28,397	18,050	46,448	6,185
Transfers between funds		(3,935)	3,935	-	-
Net expenditure before other gains/(losses)		24,462	21,985	46,448	6,185
Other gains and losses:					
Net movement in funds		24,462	21,985	46,448	6,185
Reconciliation of funds:					
Total funds brought forward		11,749	-	11,749	5,564
Total funds carried forward		36,211	21,985	58,196	11,749

The Life and Soul Kitchen Ltd
For the Year Ended 31st March 2021

Statement of Assets and Liabilities

	Notes	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Fixed assets					
Tangible assets	7	4,848	21,985	26,833	5,623
Total fixed assets		4,848	21,985	26,833	5,623
Current assets					
Stocks	8	-	-	-	1,812
Debtors	9	2,712	-	2,712	2,579
Cash at bank and in hand	12	31,324	-	31,324	3,871
Total current assets		34,036	-	34,036	8,263
Creditors: amounts falling due within one year	10	(2,672)	-	(2,672)	(2,137)
Net current assets		31,363	-	31,363	6,126
Total net assets		36,211	21,985	58,196	11,749
Funds of the Charity					
Restricted income funds	13		21,985	21,985	-
Unrestricted funds	13	36,211		36,212	11,749
Total funds		36,211	21,985	58,196	11,749

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

Signed by

B Morris

Date:

NOTES TO THE ACCOUNTS

Note 1 Basis of preparation

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with:

the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Note 2 Accounting policies

2.1 Income

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources;
- the monetary value can be measured with sufficient reliability.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS102 SORP).

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

Contractual income and performance related grants

This is only included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.

Support costs

The charity has incurred expenditure on support costs.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Income from interest, royalties and dividends

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

2.2 Expenditure and Liabilities

Liability recognition	Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.
Governance and support costs	Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.
Redundancy cost	The charity made no redundancy payments during the reporting period.
Deferred income	No material item of deferred income has been included in the accounts.
Creditors	The charity has creditors which are measured at settlement amounts less any trade discounts
Provisions for liabilities	A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date

2.3 Assets

Tangible fixed assets for use by charity	These are capitalised if they can be used for more than one year, and cost at least They are valued at cost.
Stocks and work in progress	Stocks held for sale as part of non-charitable trade are measured at the lower or cost or net realisable value.
Debtors	Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Note 3 Income

Analysis of income		Unrestricted funds	Restricted funds	2021	2020
				£	£
Donations and legacies:	Donations and gifts	2,750	-	2,750	2
	Grants provided by government/other charities	63,838	49,202	113,040	16,421
	Total	66,588	49,202	115,790	16,423
Charitable Activities	Café	151	-	151	31,405
	Service Users	14,389	-	14,389	11,910
	Total	14,540	-	14,540	43,315
Other Income	Other	115	-	115	194
	Total	115	-	115	194
TOTAL INCOME		81,242	49,202	130,444	59,932

Note 4 Expenditure

Analysis of expenditure		Unrestricted funds	Restricted funds	2021	2020
				£	£
Expenditure on raising funds:	Advertising, marketing, direct mail and publicity	-	-	-	-
	Total expenditure on raising funds	-	-	-	-
Expenditure on charitable activities	Café	51,785	31,152	82,936	52,581
	Administration costs	460	-	460	545
	Governance Costs	600	-	600	621
	Total expenditure on charitable activities	52,845	31,152	83,996	53,747
TOTAL EXPENDITURE		52,845	31,152	83,996	53,747

Note 5 Details of certain types of expenditure

	2021	2020
	£	£
Independent examiner's fees	600	621

Note 6 Staff costs

	2021	2020
	£	£
Wages and salaries	25,665	24,869
Pension Costs	577	-

No employee received emoluments in excess of £60,000
The average monthly number of full time equivalent employees during the year was as follows:

	2021	2020
	Number	Number
Café	1	2
Total	<u>1</u>	<u>2</u>

Note 7 Tangible fixed assets

Cost or valuation

	Land and buildings	Furniture & Equipment	Total
	£	£	£
Cost or revaluation			
At 1 April 2020	8,253	3,644	11,897
Additions	18,852	12,324	31,176
At 31 March 2021	<u>27,105</u>	<u>15,968</u>	<u>43,072</u>
Depreciation and impairments			
At 1 April 2020	4,875	1,398	6,274
Depreciation charge for the year	6,136	3,829	9,966
At 31 March 2021	<u>11,012</u>	<u>5,228</u>	<u>16,239</u>
Net book value			
At 31 March 2020	3,378	2,245	5,623
At 31 March 2021	<u>16,093</u>	<u>10,740</u>	<u>26,833</u>

Basis for Depreciation

Leasehold Land and Buildings	Depreciated over the lifetime of the lease on a straight line basis
Furniture & Equipment	Depreciated over 4 years on a straight line basis

Note 8 Stocks

	2021	2020
	£	£
Raw materials and consumables	-	1,812
Total	-	1,812

Note 9 Debtors and prepayments

Analysis of debtors

	2021	2020
	£	£
Trade debtors	2,712	2,579
Prepayments and accrued income	-	-
Other debtors	-	-
Total	2,712	2,579

Note 10 Creditors and accruals

Analysis of creditors

	Amounts falling due within one year	
	2021	2020
	£	£
Trade creditors	114	409
Accruals and deferred income	640	600
Taxation and social security	1,918	1,128
Other creditors	-	-
Total	2,672	2,137

Note 11 Commitments

Commitments

Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:-

	2021	2021	2020	2020
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating leases with expiry date: In the second to fifth years inclusive	10,800	-	4,695	-
Over five years	-	-	-	-
	10,800	-	4,695	-

Note 12 Cash at bank and in hand

	2021	2020
	£	£
Cash at bank and on hand	31,324	3,871
Total	<u>31,324</u>	<u>3,871</u>

Note 13 Charity funds

13.1 Details of material funds held and movements during the CURRENT reporting period

Fund names	Type	Fund balances brought forward £	Income £	Expenses £	Transfers £	Fund balances carried forward £
National Lottery Community Fund	R	-	49,202	(31,152)	3,935	21,985
General	U	11,749	81,242	(52,845)	(3,935)	36,212
Total Funds as per balance sheet		<u>11,749</u>	<u>130,444</u>	<u>(83,996)</u>	<u>-</u>	<u>58,196</u>

13.2 Details of material funds held and movements during the PREVIOUS reporting period

Fund names	Type	Fund balances brought forward £	Income £	Expenses £	Transfers £	Fund balances carried forward £
National Lottery Community Fund	R	-	-	-	-	-
General	U	5,564	59,932	(53,747)	-	11,749
Total Funds as per balance sheet		<u>5,564</u>	<u>59,932</u>	<u>(53,747)</u>	<u>-</u>	<u>11,749</u>

Note 14 **Transactions with trustees and related parties**

14.1 Trustee remuneration and benefits

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity

S Badman, as a director of the company receives a salary for her role as manager of the café.

14.2 Trustees' expenses

No trustee expenses have been incurred other than re-imburement of out of pocket expenses

14.2 Transactions with related parties

There were no transactions with related parties

Note 15 **Company limited by guarantee**

The company is limited by guarantee and has no share capital.

Every member of the company undertakes to contribute to the assets of the company, in the event of winding up, such an amount as may be required, not exceeding £10.

Note 16 **General Information**

The Life and Soul Kitchen Ltd is a private company, limited by guarantee, incorporated in England and Wales, registered number 03455469. The registered address is 1A The Homend, Ledbury, Herefordshire, HR8 1BN

Detailed Statement of Financial Activities

	2021 £	2020 £
Income and endowments from:		
Donations and legacies		
Donations	2,750	2
Grants from government / charitable bodies	113,040	16,421
	<u>115,790</u>	<u>16,421</u>
Charitable activities		
Café	151	31,405
Service Users	14,389	11,910
	<u>14,540</u>	<u>43,315</u>
Other	115	194
Total income and endowments	<u>130,444</u>	<u>59,932</u>
Expenditure on:		
Costs of generating donations and legacies		
Grants from charitable bodies	-	-
	<u>-</u>	<u>-</u>
Total of expenditure on raising funds		
Cafe		
Purchases	8,179	13,969
Salaries	25,665	24,869
Employer Pension Contributions	577	-
Sub Contract Labour	300	761
Lease of equipment	-	874
Credit card and finance costs	786	827
Rent and rates	8,050	4,380
Gas and electricity	2,463	1,964
Repairs and maintenance	23,823	1,266
Waste disposal	903	596
Sundry	521	245
Insurance	1,233	658
Depreciation of premises	6,136	1,423
Depreciation of catering equipment	3,364	748
Depreciation of other fixtures and fittings	466	-
	<u>82,936</u>	<u>52,581</u>
General Administrative Expenses		
Telephone	100	305
Administration support costs	130	-
Professional fees	-	190
Bank charges	230	-
Charitable Donations	-	50
	<u>460</u>	<u>545</u>
Governance Costs		
Accountancy	600	621
	<u>600</u>	<u>621</u>
Total expenditure	<u>83,966</u>	<u>53,747</u>
Net movement in funds	<u>46,448</u>	<u>6,185</u>

The Life and Soul Kitchen Ltd
For the Year Ended 31st March 2021