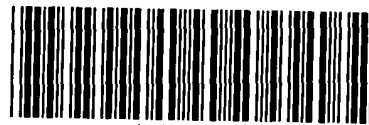


**WDGB Ltd (Working name KeySteps)**  
**CHAIRMAN'S REPORT & FINANCIAL STATEMENTS**  
**31 MARCH 2019**



Company Registration Number 7889611  
Charity Number 1146111

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COMPANIES HOUSE

**WDGB Limited**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

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WDGB (working name **KeySteps**) continues to provide an essential service to homeless people at a time of rising homelessness and in a climate of welfare benefit reductions, increasing rent arrears and the shrinking availability of private rented sector accommodation to those in receipt of housing benefit. North Somerset has suffered by being one of the early 'roll-out' areas for the Universal Credit benefit system and typically this has resulted in delays, serious hardship (including the need for Foodbank vouchers) and a rise in the need for advocacy, until matters are resolved.

We provide a very specific and practical service to people who are either homeless or are facing imminent homelessness; the provision of rent deposit bonds to those in poverty without any means to pay a deposit for rented accommodation so that they can secure accommodation and leave homelessness behind. Critically, **KeySteps** provides the personal, one-to-one support that enables ex-homeless people to make a success of their new tenancy and we achieve a very high rate of tenancy sustainment. Our support is flexible and ongoing, with no arbitrary cut-off point, so our 'bond-tenants' can return at any point if anything threatens their tenancy. We provide critical advocacy with landlords and statutory agencies and resolve many benefits issues for clients. Our drop-in Homelessness Surgeries also do much preventative work through an advice, information, referral and signposting service on issues relating to homelessness and housing.

Our financial sustainability has been achieved by developing relationships with a number of Trusts and Foundations; small, medium and large. We were grateful during the year April 2018 to March 2019 to those Trusts and Foundations who have continued to fund us through their 3-year grants, which has provided the stability needed for us to focus on service delivery and have the ability to plan ahead.

We particularly wish to acknowledge the renewed commitment of the Henry Smith Charity who awarded us a further three-year grant in June 2018, providing £20,200 in the first year for our core work, with similar amounts to follow in years two and three (subject to our satisfying the usual reporting requirements of course).

The Lloyds Bank Foundation's three year grant (awarded in May 2016) continued to be very significant, providing £25,000 for the year up to April 2019. (A re-application to the Foundation in October 2018 for a further three year grant from May 2019 did not result in funding, so we are proactively seeking a new three-year grant to replace this substantial contribution to our core costs).

The Olive Tree Trust has also been a long-term, committed supporter of our work and we were grateful to them for proactively raising the level of their support from £6,000 to £9,000 a year in December 2018, and to offer a further two years funding as an acknowledgement of the 'increasingly difficult circumstances' affecting those of us working in the field of homelessness and poverty reduction. More locally, the North Somerset Community Partnership Fund made a grant of £3,500 in recognition of the valuable work we perform in the community.

We also acknowledge the generous support of local churches who understand the effectiveness of what our small Charity achieves and contribute regularly. Additionally, we have a small number of 'Friends of **KeySteps**' who continue to support our work with this vulnerable section of the community, including some very generous individual donors. We also claimed £1,538 from HMRC Gift Aid.

We are continuing to implement our fundraising strategy of investing time in researching new sources of funding and to aim for a portfolio of funders in order to avoid over-reliance on a single source.

We maintain extensive and detailed reporting to our funders on the individual outcomes for the charities beneficiaries and the impact that we have on homelessness reduction in North Somerset in order to keep funders well-informed and show that grants are used effectively and that even a small grant makes a real difference.



In September 2017, the new Homelessness Act increased the scope of the Local Authority's statutory duty to *all* people who are homeless, including those who are single and without children. The impact on us has been minimal as the local authority only has a duty to give 'advice and information' and 'give assistance' to prevent homelessness, not to actually *house* all homeless enquirers, and so continues to refer clients whom they do not have a statutory duty to house to us and, if anything, we anticipate a rise in referrals from statutory sources.

An important local development is the establishment of the new Night Assessment Centre at the Somewhere to Go premises (where we are also based) which we've been aware of through being part of the 'Single and Rough Sleepers Partnership' this operated as a pilot scheme from November 2018 – March 2019 and every available bed was taken up. We anticipate increased referrals from the Night Assessment Centre, especially if opening hours are extended as planned. We are also experiencing increased referrals from supported housing organisations i.e. CURO (Mental Health provider). The 'Home Choice' waiting list is very long (2 years in some cases) so we are getting enquiries from those people to see if we can find them property in the Private Rented Sector instead of them waiting for social housing.

The ending of direct rent payments by the benefits agency to landlords continues to have a detrimental effect on their willingness to take tenants in receipt of benefits, making our advocacy role in persuading letting agencies to take these clients on of increased importance.

The charity's Strategic Planning day in May 2019 focussed on the effectiveness of **KeySteps** in the present and our future role in the North Somerset community during this time of rapidly changing needs, constraints and landscape. Do we need to take a more radical and dynamic approach? Are we open to change or will we simply continue with our present model? Our discussion was led by Julia Stafford, a Management Consultant introduced by the Lloyds Bank Foundation, and the person who has helped the Board to develop a 5-year Business Plan for **KeySteps**.

As at 31<sup>st</sup> March 2019, the overall current total of people with a **KeySteps** bond being supported by the charity was 139. During the year 20 new homeless clients have been housed through the Bond Guarantee scheme.

Taking a longer-term view, our work is about trying to ensure homeless people become settled and stable and avoid the rapid, repeat homelessness which can be common where lives may be chaotic and people only get short-term support from the Local Authority/other agencies. With this in mind, we have reviewed our longer-term tenancy Sustainment figures and, out of 85 homeless individuals housed and supported (from 01/04/14 to 31/03/19) that people had achieved a high degree of stability:

- 79 ex-homeless tenants achieved 6 months in one tenancy.
- 57 of those tenants have now achieved over 12 months
- 41 of those tenants have now achieved over 18 months
- 33 have achieved over 2 years
- 20 have achieved over 3 years
- 8 have now achieved over 4 years in their tenancy;
- 3 are still sustaining a bond tenancy after 5 years with great success.

Where tenancies have ended, the vast majority are moving on to better accommodation. Taking this longer-term overview, our tenancy sustainment records show a real impact in assisting homeless people to become permanently settled and achieve greater stability in their lives.

The work of **KeySteps** covers the following areas:

1. Provision of rent deposit guarantees (bonds) to homeless residents of North Somerset whom the council currently has no statutory obligation to house and whose only route out of



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homelessness is the private rented sector. **KeySteps** (WDGB) currently holds 76 bonds on behalf of those we have housed, with an outstanding liability of £27,300.

2. **KeySteps** operates an open 'drop-in' Homelessness Surgery two mornings a week in Weston-super-Mare to assist homeless and potentially homeless people (and many other vulnerable adults) with problems. This assistance takes the form of liaising with landlords and letting agencies, completing paperwork and forms for clients who struggle with this, assisting with the complex system for claiming welfare and housing benefit, providing advocacy, providing Food Bank vouchers and sourcing other emergency practical help, signposting and referring to other relevant charities, liaising with other support agencies, and so on. During the year there were a total of **501** enquiries to the drop-in, by personal visit or telephone. Many of these people needed multiple visits to resolve their problems.
3. **KeySteps** carries out formal property inspections before tenancies begin and also when tenants leave properties and a claim is made – this is to ensure that claims are fair and to protect the charity's resources.
4. 18-25 year olds in danger of homelessness (See note 1 below) are increasingly being hit by the reductions to housing benefit and the huge difficulty of finding an affordable place to live. Many of this age group are homeless for the first time and particularly in need of information and advice.
5. The charity engages proactively with our ex-homeless tenants (particularly in the first year) to ensure that their support needs are met and to ensure that they can access the range of statutory and voluntary 'helper agencies' to find opportunities and positive steps (eg education, training, voluntary work, social networks and engagement in the community).
6. We are continuing to service statutory bonds held on behalf of North Somerset Council for which NSC made available a limited grant from which any claims are serviced. At the end of March 2019, the balance of this grant was £8,773 and **KeySteps** still has a stock of 63 statutory bonds worth £33,403 – no new statutory bonds have been added since July 2011.

There are a number of external factors at a national level which continue to have significant impact on the charity's work, specifically the context of welfare reduction:

1. Government legislation which further restricted the Housing Allowance (housing benefit, in common parlance) payable to younger people, extending the age bracket receiving a restricted rate from 18–25 year olds to 18–35 year olds. The benefits received by a single person only allows a bed-sitter tenancy to be obtained from the private rental sector and these properties are now very scarce.
2. Following reductions in welfare in recent years and the continuing freeze on housing allowances, Housing Benefit for all ages continues to fall short of actual rents, with a serious impact on the ability of those on low incomes to find any affordable accommodation and to maintain rent payments. This has a knock-on effect on the willingness of landlords to accept tenants in receipt of benefits. We are noticing a serious and continuing trend in landlords switching to the student market or restricting new tenancies to those in employment. Our staff are working extra hard to ensure we maintain an adequate base of sympathetic landlords willing to house homeless clients and to add new landlords/letting agencies to our database, but this problem is shared by all local agencies working in the housing field and is in fact a national problem. North Somerset Council's last Homelessness Prevention Strategy document referred to the shrinking amount of PRS accommodation for low-income clients, noting that the percentage of homeless clients that they themselves have been able to place in PRS accommodation has dropped from 48% to 19%.



3. **KeySteps** has enjoyed relative stability during the last three years, but the fact we have come to the end of our three-year grant from Lloyds means that renewed efforts are having to be made to replace that grant.
4. **KeySteps** continues a dialogue with another larger charity which has an interesting model for obtaining new accommodation. In response to the shrinking pool of PRS accommodation, concerned local individuals club together to buy a property and offer a lease to the charity. The property is then let to homeless people with professional tenant support, through the charity. The WDGB Board drew up an action plan for a pilot project and applied to one funder for a Project Worker to take this further but the application was unsuccessful so this project remains at the planning stage.

Once again, we did not have to draw from our reserves in 2018/19. Our overall expenditure was as expected: Staff costs amounted to 55% of expenditure, claims on bonds amounted to 12% of expenditure with the remaining 33% covering the rental of premises, running costs, training, fundraising, accounting and administrative costs.

We operate 2 internal designated funds within the charity to help ensure that a successful tenancy is achieved. These are '**The Gary Twinn Bursary**' and the '**Rent Extras Fund**' and they are designed as follows. The **Gary Twinn Bursary** is really a client support fund so that we are able to make discretionary payments to tenants for essential items (eg a cooker) where clients have no resources at all. Typically, we work in conjunction with '**Changing Lives**' who operate a furniture recycling charity. The objective of the fund is that it is used to relieve hardship and poverty within our client community. The **Rent Extras Fund** is used to secure tenancies for new clients by paying any additional fees for ad-hoc items that might otherwise prevent a tenancy arising. These monies may be returned to **KeySteps** by the client when they are in a more financially secure position.

In conclusion, **KeySteps** continues to make a significant contribution to reducing homelessness and hardship in North Somerset by both preventing homelessness from occurring in the first place and by providing deposit guarantees. Our clients are those homeless or about-to-become people who fall outside local authority obligation but who are nevertheless vulnerable and without any other route out of homelessness. In recent years we have increased ongoing support to our ex-homeless clients to reduce their isolation, now recognised as critical to homelessness prevention. Our tenancy sustainment rates are, in consequence, excellent and the tenants we support are able to make being housed a turning point and achieve greater stability in their lives. The charity plays a unique role locally and without **KeySteps** there would be a significant gap in services to individuals in crisis, at a time when support services to the disadvantaged are shrinking.

**Martin Knight**

Chairman

03 September 2019

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The Trustees present their report with the financial statements of the charity for the year ended 31 March 2019. The trustees have adopted the provisions of the Statement of Recommended Practices (SORP) Accounting and Reporting by Charities' (FRS 102).

**Events since the end of Year**

There have been no events of note.

**Structure, Governance and Management**

**Governing document**

The charity is controlled by its Memorandum and Articles of Association dated 22 December 2011.

**Recruitment and appointment of new Trustees**

The Trustees (Chair, Vice Chair, Treasurer) are appointed on the basis of qualification and experience relevant to the charity's operations.

**Induction and training of new trustees**

The trustees undertake appropriate induction and training in order to understand the particular way the charity operates and to keep up-to-date with the regulatory changes that affect the charity.

**Organisational structure**

The charity is administered by a Management Committee comprising the Trustees and Manager. There is provision to co-opt other members onto this.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**Objectives and Activities**

**Objectives and aims**

The object of the charity is to relieve poverty within the area of North Somerset especially in relation to residential accommodation, by such charitable activities as the Trustees think fit. This includes providing rent deposit bonds particularly for homeless people who are unable to raise the funds themselves and providing some subsequent support activities.

**Significant activities**

The charity operates a rent deposit scheme to achieve its main objective – this is for residents of North Somerset who fall outside the local council's statutory obligation for housing. Landlords must be willing to accept bonds rather than cash and the charity actively recruits new landlords to the scheme and ensures that both landlords and tenants are serviced efficiently. There is also a twice weekly "drop-in clinic" which acts as a signpost to other support, benefits and assistance available locally – this is targeted at homeless people but is open to all. Special attention is given to those in the 18-35 age bracket where support is otherwise limited.

**Volunteers and Employees**

The charity employs one full-time manager to perform operational and tenant support duties. The manager has a part-time assistant.



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## **ACHIEVEMENTS AND PERFORMANCE**

### **Charitable activities**

The Trustees confirm that they have had regard to the guidance on public benefit published by the Charity Commission.

The charity provided 20 new rent deposit bonds during the year. At the end of the year, the charity managed 139 bonds which represented around 195 people (individuals and families) who were no longer homeless in North Somerset. Additionally, 501 people made use of the "drop-in" clinics – many of these were directed to the charity by various local agencies and North Somerset Council.

### **Internal and external factors**

Some of the historic bonds issued (by the previous unincorporated trust) were issued on behalf of North Somerset Council. The charity received a grant from the council to fund the issuing of bonds for their statutory housing obligation. The balance of this grant transferred to this charity and is used to service claims received from the statutory bond pool. The fund currently stands at £8,773.

Changes in legislation affecting housing benefit may mean that some tenants fall into arrears and this may affect the claim rate in the coming year.

## **FINANCIAL REVIEW**

### **Reserves Policy**

The charity (previously an unincorporated trust) has been in operation since 1995 and has consequently assembled much historic information about the likelihood of claims. The Trustees therefore consider it prudent to keep reserves in excess of 30% of the value of bonds issued plus 3 months' operating costs. At the end of the year, this liability amounted to £32,785, and the charity had reserves to meet it of £47,948.

### **Principal funding sources**

The charity is wholly dependent on the generosity of individuals, churches, trusts and regular donors to continue its work.

## **FUNDS HELD AS CUSTODIAN FOR OTHERS**

The charity encourages the tenants to save voluntarily towards the value of a rent deposit. These amounts are small but such funds are held in a separate bank account. The funds saved by an individual can be returned to the individual on leaving, used towards meeting claims by the landlord against the bond provided by the charity, or the funds revert to the charity if the charity has been unable to locate a tenant who has left a property without any forwarding contact details – such funds are used to further the work of the charity.

The financial statements comply with current statutory requirements, the memorandum and articles of association, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015) and in accordance with the special provisions for small companies under the Companies Act 2006.



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## TRUSTEES' RESPONSIBILITIES


The trustees (who are also directors of WDGB Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board on .....25<sup>th</sup> September.....2019.

.....  
K M Knight

**WDGB Limited**

**REFERENCE & ADMINISTRATIVE INFORMATION**

**YEAR ENDED 31 MARCH 2019**



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Company registered in England No: 7889611

Registered Charity No: 1146111

**Principal Address**

St John's Hall  
The Boulevard  
Weston-super-Mare  
BS23 1NA

**Trustees**

Mr K M Knight  
Mrs W Griggs  
Mrs A Hawkings  
Mrs M Pearson  
Miss N Oakley

**Independent Examiner**

Neil Kingston FCA  
Burton Sweet  
The Clock Tower  
5 Farleigh Court  
Old Weston Road  
Flax Bourton  
Bristol BS48 1UR

## **WDGB Limited**

### **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**

**YEAR ENDED 31 MARCH 2019**

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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 2019.

#### **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').

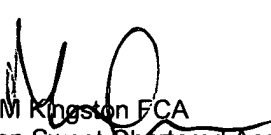
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). 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**

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:

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.

  
Neil M Kingston FCA  
Burton Sweet Chartered Accountants  
The Clock Tower  
5 Farleigh Court  
Old Weston Road  
Flax Bourton  
Bristol BS48 1UR

Date: 25.9.19 .....

**WDGB LIMITED****STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)****YEAR ENDED 31 MARCH 2019**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>					
Donations		22,129	45,200	67,329	64,824
Investments		45	-	45	15
<b>Total income</b>		<u>22,174</u>	<u>45,200</u>	<u>67,374</u>	<u>64,839</u>
<b>Expenditure on:</b>					
Raising funds		2,793	-	2,793	1,394
Charitable activities	2	12,129	47,190	59,319	51,520
<b>Total expenditure</b>		<u>14,922</u>	<u>47,190</u>	<u>62,112</u>	<u>52,914</u>
<b>Net income/(expenditure)</b>		7,252	(1,990)	5,262	11,925
Gross transfers between funds	10	<u>7,500</u>	<u>(7,500)</u>	-	-
<b>Net movement in funds</b>		14,752	(9,490)	5,262	11,925
<b>Reconciliation of funds</b>					
Total funds brought forward		30,883	31,288	62,171	50,246
Total funds carried forward	10	<u>45,635</u>	<u>21,798</u>	<u>67,433</u>	<u>62,171</u>

The charity has no recognised gains and losses other than the results for the period as set out above.

All of the activities of the charity are classed as continuing.

Prior year fund comparatives are shown in note 6.

The notes on pages 12 to 18 form part of these financial statements -

**WDGB LIMITED**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

Company number: 7889611

	Notes	Unrestricted funds £	Restricted funds £	2019	2018 £
<b>Current assets</b>					
Cash at bank and in hand	7	55,078	21,798	76,876	70,721
		<u>55,078</u>	<u>21,798</u>	<u>76,876</u>	<u>70,721</u>
<b>Creditors: Amounts falling due within one year</b>	8	(9,443)	-	(9,443)	(8,550)
<b>Net current assets</b>		<u>45,635</u>	<u>21,798</u>	<u>67,433</u>	<u>62,171</u>
<b>Total assets less current liabilities</b>		<u>45,635</u>	<u>21,798</u>	<u>67,433</u>	<u>62,171</u>
<b>Net assets</b>		<u>45,635</u>	<u>21,798</u>	<u>67,433</u>	<u>62,171</u>
<b>Funds</b>	10				
Restricted funds		-	21,798	21,798	31,288
Unrestricted funds:					
General funds		28,084	-	28,084	11,741
Designated funds		17,551	-	17,551	19,142
		<u>45,635</u>	<u>21,798</u>	<u>67,433</u>	<u>62,171</u>

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

For the period ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements were approved by the trustees on 25<sup>th</sup> September 2019 and are signed on their behalf by:

  
 .....  
 Mr KM Knight

The notes on pages 12 to 18 form part of these financial statements

# **WDGB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities Act 2011, FRS 102 and the Charities Statement of Recommended Practice (FRS 102).

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The charity is a Public Benefit entity.

#### **Income**

the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with

All interest received on the various bank accounts held, including the deposit guarantee reserve accounts, is transferred to general funds as a contribution towards meeting the operating costs and furthering the work of the charity.

#### **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The Statutory Deposit Scheme funds are charged an administration fee of £25 represented by a transfer to general funds when bonds are closed or when a claim is made.

#### **Governance costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity. Governance costs are included within charitable activity costs.

#### **Taxation**

The charity is exempt from tax on its charitable activities.

#### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**WDGB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies (continued)**

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

**2 Charitable activities**

	Direct costs £	Support costs £	Total 2019 £	Total 2018 £
Servicing bonds	44,100	15,219	59,319	51,520
	<u>44,100</u>	<u>15,219</u>	<u>59,319</u>	<u>51,520</u>

**Support costs**

	Total 2019 £	Total 2018 £
Premises costs	4,165	4,119
Office costs	11,054	9,303
	<u>15,219</u>	<u>13,422</u>

Support costs are allocated on a usage basis.

**3 Net income for the year**

This is stated after charging:	2019 £	2018 £
Independent examiner's fees:		
- for independent examination	945	900
- for accounts preparation	630	600
	<u>1,575</u>	<u>1,500</u>

No trustees received remuneration during the period (2018: nil).

There were no trustees' expenses paid or waived for the period ended 31 March 2019 (2018: nil).

There were no donations received from trustees during the period (2018: nil).

The trustees consider themselves along with the Charity Manager to be the key management personnel for the organisation.

Total benefits received by the Charity Manager for the year were £23,794. (2018: £23,794).

# WDGB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

### 4 Staff costs

	2019 £	2018 £
Wages and salaries	33,380	31,221
Pension contributions	670	289
	<u>34,050</u>	<u>31,510</u>

The average monthly headcount of employees during the year was as follows:

	2019	2018
Project manager	1	1
Assistant to project manager	1	1
	<u>2</u>	<u>2</u>

### 5 Taxation

As an entity recognised by HM Revenue and Customs as a charity for tax purposes, the charity is exempt from tax on its income and gains as long as they are used for charitable purposes only.

### 6 Prior year fund comparatives

	Unrestricted funds £	Restricted funds £	Total funds £
<b>Income from:</b>			
Donations	7,824	57,000	64,824
Investments	15	-	15
<b>Total income</b>	<u>7,839</u>	<u>57,000</u>	<u>64,839</u>
<b>Expenditure on:</b>			
Raising funds	1,394	-	1,394
Charitable activities	2,587	48,933	51,520
<b>Total expenditure</b>	<u>3,981</u>	<u>48,933</u>	<u>52,914</u>
<b>Net income/(expenditure)</b>	3,858	8,067	11,925
<b>Reconciliation of funds</b>			
Total funds brought forward	27,025	23,221	50,246
Total funds carried forward	<u>30,883</u>	<u>31,288</u>	<u>62,171</u>



## WDGB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

#### 7 Cash at bank and in hand

	2019	2018
	£	£
HSBC current	33,743	28,213
HSBC savings	6,510	5,875
Scottish Widows Deposit account	36,582	36,545
Cash in hand	41	88
	<u>76,876</u>	<u>70,721</u>

At the year end funds held on behalf of tenants amounting to £6,510 (2018 - £5,875) are included in the above.

#### 8 Creditors: amounts falling due within one year

	2019	2018
	£	£
Taxation and social security	1,225	1,130
Other creditors and accruals	8,218	7,420
	<u>9,443</u>	<u>8,550</u>

Within other creditors are funds held on behalf of tenants amounting to £6,510 (2018 - £5,875).

#### 9 Operating lease commitments

At 31 March 2019 the organisation had total minimum commitments under non-cancellable operating leases payable as set out below:

	Equipment 2019	Equipment 2018
	£	£
Operating lease commitments payable:		
Within 1 year	648	-
Between 2 to 5 years	<u>2,592</u>	<u>-</u>

# WDGB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

### 10 Movement in funds

#### Current year

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
<b>Restricted funds</b>					
Statutory Deposit Scheme	10,963	-	(2,190)	-	8,773
Lloyds Bank Foundation	6,250	25,000	(25,000)	-	6,250
Olive Tree Trust	7,500	-	-	(7,500)	-
Henry Smith	6,575	20,200	(20,000)	-	6,775
	<u>31,288</u>	<u>45,200</u>	<u>(47,190)</u>	<u>(7,500)</u>	<u>21,798</u>
<b>Unrestricted funds</b>					
Designated funds:					
Non statutory deposits	10,802	214	-	-	11,016
Gary Twinn fund (Client support)	6,495	-	(560)	-	5,935
Rent Extras fund (Rent deposit fund)	1,845	160	(1,405)	-	600
General funds	11,741	21,800	(12,957)	7,500	28,084
	<u>30,883</u>	<u>22,174</u>	<u>(14,922)</u>	<u>7,500</u>	<u>45,635</u>
<b>Total funds</b>	<u>62,171</u>	<u>67,374</u>	<u>(62,112)</u>	<u>-</u>	<u>67,433</u>

General funds represent the free reserves of the charity.

#### Statutory deposit scheme - restricted

These funds represent historic funding from North Somerset Council that is held to honour the statutory bonds issued under this scheme. The transfer between this fund and general funds represents an administration fee charged when bonds are closed and when a claim is made.

#### Lloyds Bank Foundation

This is a grant obtained from the Lloyds Bank Foundation INVEST programme (a 3 year grant towards our salaries and running costs, awarded in April 2016, with an instalment of £25,000 each year until 30.04.2019).

#### Henry Smith

This award was obtained from the Henry Smith Charity and is for a period of 3 years. The funds were awarded to cover up to 40% of the charity's annual operating costs.

#### Non statutory deposits - designated

These funds have been set aside to cover the non statutory bonds that the charity has issued. Transfers are made between general and designated funds to maintain the funds held at 40% of bonds issued.

#### Gary Twinn fund (was Client support fund) - designated

These funds have been set aside to support clients with basic household essentials.

#### Rent Extras fund (was Rent deposit fund) - designated

These funds have been set aside to help towards rent deposits and administration fees on a discretionary basis.

#### Olive Tree Trust

Grant towards the costs of the bond scheme and associated Support Work. The donor has during the year removed the restriction on the income, and have stated that they are happy for the charity to transfer the donation to General funds.

#### Beatrice Laing Trust

These funds were received in support of the Moving Forward Support Project to reduce hardship and homelessness.

**WDGB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**10 Movement in funds (continued)**

Prior year

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
<b>Restricted funds</b>					
Statutory Deposit Scheme	13,563	-	(2,600)	-	10,963
Lloyds Bank Foundation	2,083	25,000	(20,833)	-	6,250
Olive Tree Trust	-	12,000	(4,500)	-	7,500
Beatrice Laing Trust	2,500	-	(2,500)	-	-
Henry Smith	5,075	20,000	(18,500)	-	6,575
	<u>23,221</u>	<u>57,000</u>	<u>(48,933)</u>	<u>-</u>	<u>31,288</u>
<b>Unrestricted funds</b>					
Designated funds:					
Non statutory deposits	10,402	-	-	400	10,802
Gary Twinn fund (Client support)	3,000	1,395	(150)	2,250	6,495
Rent Enablement fund (Rent deposit)	2,760	-	(915)	-	1,845
General funds	10,863	6,444	(2,916)	(2,650)	11,741
	<u>27,025</u>	<u>7,839</u>	<u>(3,981)</u>	<u>-</u>	<u>30,883</u>
<b>Total funds</b>	<u>50,246</u>	<u>64,839</u>	<u>(52,914)</u>	<u>-</u>	<u>62,171</u>

**11 Contingent Liabilities**

The charity provides deposit guarantees and details of the position at the year end are set out below:

	2019 £	2018 £
<b>Statutory scheme</b>		
Guarantees issued	33,403	36,588
Tenants contributions (net)	(5,360)	(4,706)
Net guarantee liability	<u>28,043</u>	<u>31,882</u>
Reserve funds to cover liability	8,773	10,963
Cover/Liability %	31%	34%
<b>Non Statutory scheme</b>		
Guarantees issued	27,300	27,005
Tenants contributions (net)	(1,150)	(1,139)
Net guarantee liability	<u>26,150</u>	<u>25,866</u>
Reserve funds to cover liability	11,016	10,802
Cover/Liability %	42%	42%

## WDGB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

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#### 11 Contingent Liabilities (continued)

During the year the statutory scheme reserve funds held to cover the potential liabilities under the guarantees were depleted due to the level of claims being made without such funds being replenished by North Somerset Council. The trustees have carried out an analysis of all claims against bonds for previous years and this shows that claims have been received from landlords on an average of 30% of bonds issued. By policy, the trustees seek to hold reserves of 40% to cover these potential liabilities.

#### 12 Tenants' contributions

	£
Balance held at 1 April 2018	5,875
Contributions in the year ended 31 March 2019	924
Less: Transfers to current account	(289)
Balance held at 31 March 2019	<u>6,510</u>

**WDGB Limited****DETAILED STATEMENT OF FINANCIAL ACTIVITIES****YEAR ENDED 31 MARCH 2019**

	<b>Total funds 2019 £</b>	<b>Total Funds 2018 £</b>
<b>Income from:</b>		
Gifts and donations	67,169	64,824
Rents received from tenants	160	-
Investments	45	15
<b>Total income</b>	<b>67,374</b>	<b>64,839</b>
<b>Expenditure on:</b>		
<b><i>Raising funds</i></b>		
Fundraising	2,793	1,394
<b><i>Charitable activities</i></b>		
Wages	33,380	31,221
Employer's pension	670	289
Guarantee claims paid	7,750	5,380
Restricted Expenditure	2,300	1,065
<b><i>Support costs</i></b>		
Rent	3,675	3,675
Insurance	490	444
Telephone	1,168	1,005
Printing, postage and stationery	1,394	1,202
IT costs	1,242	1,233
Repairs	92	185
Travel and subsistence	3	145
Training	3,509	3,594
Miscellaneous	815	219
Legal and professional fees	1,256	363
Year end accounts and independent examination	1,575	1,500
<b>Total expenditure</b>	<b>62,112</b>	<b>52,914</b>
<b>Net income/(expenditure)</b>	<b>5,262</b>	<b>11,925</b>

This does not form part of the statutory financial statements.