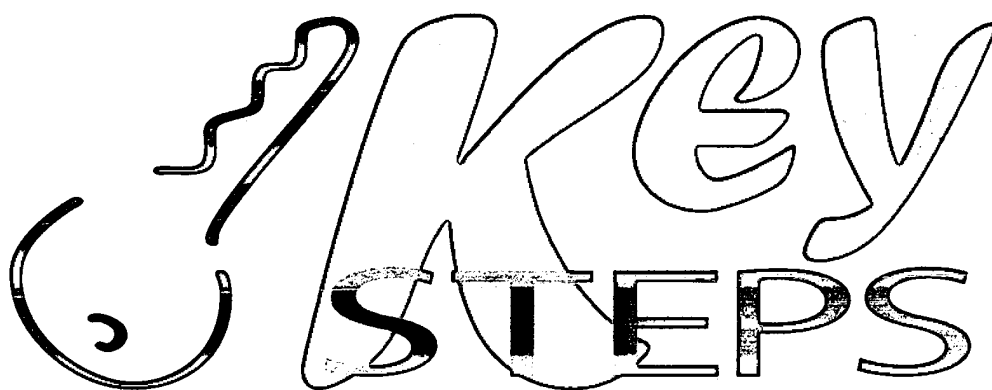


WDGB Ltd (Working name KeySteps)

CHAIRMAN'S REPORT & FINANCIAL STATEMENTS

31 MARCH 2020



Company Registration Number 07889611
Charity Number 1146111

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WDGB Limited

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020



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Our charity, WDGB Ltd (working name **KeySteps**), continues to provide an essential service to homeless people at a time of rising homelessness and in a climate of reduced welfare benefits, increasing rent arrears and the shrinking availability of private rented sector accommodation to those in receipt of housing benefit. North Somerset suffered by being one of the early 'roll-out' areas for the Universal Credit benefit system and typically this has resulted in many benefit delays, serious hardship (including an increased need for Foodbank vouchers) and a rise in the need for advocacy. Our clients often lack the knowledge, confidence or articulacy to challenge benefit errors and serious delays, which are common, and without advocacy these issues would remain unresolved, with serious consequences.

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 or their personal stability. We take a 'holistic' approach and give whatever support is needed, which includes listening and emotional support at times of crisis, depression, panic or anxiety, issues which are common for homeless and formerly homeless people. Critically, we provide advocacy with landlords and statutory agencies and, with our knowledge, contacts and persistence on their behalf resolve many bureaucratic hold-ups and benefit injustices 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.

We closed the financial year under lockdown with our offices in Weston-super-Mare closed to all visitors. The charity elected not to furlough its small staff team (1.5 full-time equivalent) because so much of the work of the charity was able to be carried out by telephone and through the internet with face-to-face contact being the only exception. Because of our previous investment in IT and the fact that we had already implemented Microsoft Office365 and CharityLog, we have been able to continue to operate through lockdown and have continued to issue bonds, help support tenants and other enquirers. This will form part of next year's report but I am pleased to report that our charity is still being very effective at this time of challenge.

Financial Sustainability

Our financial sustainability has been achieved by developing relationships with a number of Trusts and Foundations; small, medium and large. The Board keeps its three-year Fundraising Strategy constantly under review and plans new applications in advance where we are aware a time-limited grant will come to an end. We were grateful during this reporting year 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.

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, £20,800 in this reporting year and with £21,000 allocated for 2020/21 (subject to our satisfying the necessary reporting requirements).

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 the end of April 2019, the third and final instalment of the grant.

We continue to pursue a fundraising strategy that aims to avoid over-reliance on a single source by investing time in researching new sources of funding and developing ~~relationships~~ with charitable trusts and foundations. This strategy continues to bear fruit and I can report that we secured a new three-year grant from the **Trusthouse Charitable Foundation** which began at the beginning of April 2020 which, combined with our other main grant from the Henry Smith Charity, gives us approximately two-thirds of the Charity's running costs. We will continue to make other applications and seek donations to make up the balance each year.



The Olive Tree Trust has also been a committed supporter of our work and we were grateful to them for proactively raising the level of their support this year from £6,000 to £9,000 a year in 2019, in recognition of the 'increasingly difficult circumstances' affecting homeless people. On top of their three-year commitment to us (2018-21) the Trust also made an additional one-off donation of £7,000 in November 2019 after we sent in our report and they made a visit to our Charity to meet us in person and hear more about our work.

More locally, the Quartet Community Foundation remains important to us and in December 2019 we were awarded a grant of £2,446 from the Express Fund they manage towards our work in Homelessness Prevention.

We also acknowledge the generous support of local churches who understand the effectiveness of our small Charity 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 £97 from HMRC Gift Aid.

Once again, we did not have to draw from our reserves in 2019/20. Our overall expenditure was as expected: Staff costs amounted to 61% of expenditure, claims on bonds amounted to 3% of expenditure with the remaining 36% covering the rental of premises, running costs, training, fundraising, accounting and administrative costs.

We operate two internal designated funds within the charity to ensure that a successful tenancy is achieved: 'The Gary Twinn Bursary' and the 'Rent Extras Fund'. The Gary Twinn Bursary is a client support fund so that we are able to make discretionary payments to tenants for essential items (eg a cooker or bed) 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 or costs that might otherwise prevent a tenancy agreement being secured. These monies may be returned to KeySteps by the client when they are in a more financially secure position.

The Local Context

There have been significant developments at 'Somewhere To Go', with whom we share a building, specifically the development of the Night Assessment Centre for rough sleepers.

Further developments are planned in our shared building, which is increasingly busy as a hub for homeless & vulnerably-housed people in poverty, with all our agencies working closely together to meet their needs. Extending the nurse services and outreach from Addaction, the CCG and Second Step are planning a drop-in facility next-door for those with mental health issues, particularly those at crisis point at risk of suicide, with a late-night opening. This close proximity of services in the same building is to the advantage of all our clients.

Due to COVID-19, we were unable to have our Strategic Planning day scheduled in June 2020 and this will be deferred to later in the year. Using Zoom, we now have monthly meetings between our Trustees and workers to ensure timely measures are put in place in response to changing needs. We also review our finances at those times.

A long-term solution to homelessness

As at 31st March 2020, the overall current total of people with a KeySteps bond being supported by the charity was 117. During the year 16 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 1st April 2015 to 31st March 2020) we can see that clients achieved a high degree of stability:

- 69 ex-homeless tenants achieved 6 months in one tenancy.
- 59 of those tenants have now achieved over 12 months
- 47 of those tenants have now achieved over 18 months
- 35 have achieved over 2 years
- 18 have achieved over 3 years
- 10 have now achieved over 4 years in their tenancy;
- 2 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 homelessness is the private rented sector. **KeySteps** (WDGB) currently holds 65 bonds on behalf of those we have housed, with an outstanding liability of £25,180.
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 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 benefits, 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 563 enquiries to the drop-in (an increase in 12% on last year), 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. 18-35 year olds (See note 1 below) continue to suffer from 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, volunteering, social networks and increased integration 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 2020, the balance of this grant was £8,523 and **KeySteps** still has a stock of 52 statutory bonds worth £27,508 – 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 benefit rate received by a single person enables only 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. There is a serious and continuing trend in landlords switching to the student market or refusing to accept clients in receipt of housing benefit. 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.
3. 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 clients on benefit essential. We are able to make an application to the benefits agency to request direct payments, on a case-by-case basis, explaining the need for this, for example, if the tenant is leaving supported housing such as a dry-house or residential rehab unit, and is not yet used to having to manage rent payments and is still being supported to manage their finances.
4. Discretionary Housing Benefit claims continue to be an important part of the daily work, due to high rent levels and frozen benefits. This discretionary benefit was designed by the statutory agencies when housing benefit rates (known as 'housing allowances') were cut during the budget cuts during the period of austerity and welfare cuts, and remained frozen between 2015-2020. This has made it impossible for many tenants to cover their rent payments, the shortfall between Housing Benefit and the actual rent being too great for them to afford out of either low wages or welfare benefits. Therefore support workers from all spheres have to complete not only the basic claim for housing benefit, but a 'discretionary' top-up claim too, making the system very complex for all concerned. This is compounded by the fact these claims have to be renewed every 3 months, creating further bureaucracy and additional stress for tenants.

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 homeless who fall outside local authority obligation but who are nevertheless vulnerable and without any other route out of homelessness. Key to our success is the flexible, ongoing, timely and personalised support to our ex-homeless clients, now nationally recognised as the most critical factor in 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 have shrunk, poverty persists and the outlook, post-Covid, is looking bleak for those who rely on precarious, low-paid work and/or welfare benefits. The vulnerable people we work with face a time of great anxiety and it is vital that we remain there for them, offering practical and emotional support and advocacy to prevent homelessness and hardship.


Martin Knight
Chair of the Trustee Board

Date:

WDGB Limited

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2020



The trustees present their report with the financial statements of the charity for the year ended 31 March 2020. 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

Mrs A Hawkins resigned as a trustee on 1 June 2020. There have been no other 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 and relies on additional support from local volunteers.



ACHIEVEMENT 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 16 new rent deposit bonds during the year. At the end of the year, the charity managed 117 bonds which represented around 150 people (individuals and families) who were no longer homeless in North Somerset. Additionally, 563 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 £8,523.

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 £29,840, and the charity had free reserves to meet it of £35,723.

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) and in accordance with the special provisions for small companies under the Companies Act 2006.

WDGB Limited

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2020



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 . 82020.

.....
K M Knight

WDGB Limited

REFERENCE & ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2020



Company registered in England No: 07889611

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 (resigned 1 June 2020)
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

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

YEAR ENDED 31 MARCH 2020

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2020.

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 Apr 2020

WDGB LIMITED**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)****YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations		35,537	22,860	58,397	67,329
Investments		50	-	50	45
Total income		35,587	22,860	58,447	67,374
Expenditure on:					
Raising funds		2,903	-	2,903	2,793
Charitable activities	2	26,288	27,635	53,923	59,319
Total expenditure		29,191	27,635	56,826	62,112
Net income/(expenditure) and Net movement in funds		6,396	(4,775)	1,621	5,262
Reconciliation of funds					
Total funds brought forward		45,635	21,798	67,433	62,171
Total funds carried forward	9	52,031	17,023	69,054	67,433

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 12

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

WDGB LIMITED
BALANCE SHEET
AS AT 31 MARCH 2020

Company number: 07889611

	Notes	Unrestricted funds £	Restricted funds £	2020	2019 £
Current assets					
Cash at bank and in hand	6	60,645	17,023	77,668	76,876
		<u>60,645</u>	<u>17,023</u>	<u>77,668</u>	<u>76,876</u>
Creditors: Amounts falling due within one year	7	(8,614)	-	(8,614)	(9,443)
Net current assets		<u>52,031</u>	<u>17,023</u>	<u>69,054</u>	<u>67,433</u>
Total assets less current liabilities		<u>52,031</u>	<u>17,023</u>	<u>69,054</u>	<u>67,433</u>
Net assets		<u>52,031</u>	<u>17,023</u>	<u>69,054</u>	<u>67,433</u>
Funds	9				
Restricted funds		-	17,023	17,023	21,798
Unrestricted funds:					
General funds		35,723	-	35,723	28,084
Designated funds		16,308	-	16,308	17,551
		<u>52,031</u>	<u>17,023</u>	<u>69,054</u>	<u>67,433</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 2020 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 8 2020 and are signed on their behalf by:



 Mr KM Knight

Prior year fund comparatives are shown in note 13

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

WDGB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

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).

Along with other similar charities and organisations, the COVID-19 pandemic has brought many uncertainties to the global economy. The impact of this on the charity is highlighted in further detail within the Trustees' annual report. Notwithstanding these uncertainties, the Trustees have chosen to prepare the financial statements on a going concern basis given the free reserves held by the charity and the careful planning of the Trustees.

The charity is a Public Benefit entity.

Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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.

WDGB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

2 Charitable activities

	Direct costs £	Support costs £	Total 2020 £
Servicing bonds	38,118	15,805	53,923
	<u>38,118</u>	<u>15,805</u>	<u>53,923</u>

Prior year comparatives

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

Support costs - Allocated on a usage basis

	Total 2020 £	Total 2019 £
Premises costs	4,170	4,165
Office costs	11,635	11,054
	<u>15,805</u>	<u>15,219</u>

3 Net income for the year

This is stated after charging:	2020 £	2019 £
Independent examiner's fees:		
- for independent examination	992	945
- for accounts preparation	662	630
	<u>662</u>	<u>630</u>

No trustees received remuneration during the period (2019: nil).

There were no trustees' expenses paid or waived for the period ended 31 March 2020 (2019: nil).

There were no donations received from trustees during the period (2019: 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 £25,669 (2019: £23,794).

4 Staff costs

	2020 £	2019 £
Wages and salaries	34,757	33,380
Pension contributions	1,049	670
	<u>35,806</u>	<u>34,050</u>

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

	2020	2019
Project manager	1	1
Assistant to project manager	1	1
	<u>2</u>	<u>2</u>

WDGB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2020****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 Cash at bank and in hand

	2020	2019
	£	£
HSBC current	35,232	33,743
HSBC savings	5,592	6,510
Scottish Widows Deposit account	36,619	36,582
Cash in hand	225	41
	<u>77,668</u>	<u>76,876</u>

At the year end funds held on behalf of tenants amounting to £5,592 (2019: £6,510) are included in the above.

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Taxation and social security	1,162	1,225
Other creditors and accruals	7,452	8,218
	<u>8,614</u>	<u>9,443</u>

Within other creditors are funds held on behalf of tenants amounting to £5,592 (2019: £6,510).

8 Operating lease commitments

At 31 March 2020 the organisation had total minimum commitments under non-cancellable operating leases payable as set out below:

	Equipment 2020	Equipment 2019
	£	£
Operating lease commitments payable:		
Within 1 year	648	648
Between 2 to 5 years	<u>1,944</u>	<u>2,592</u>

WDGB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

9 Movement in funds

Current year	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Restricted funds					
Statutory Deposit Scheme	8,773	-	(250)	-	8,523
Lloyds Bank Foundation	6,250	-	(6,250)	-	-
Henry Smith	6,775	22,860	(21,135)	-	8,500
	<u>21,798</u>	<u>22,860</u>	<u>(27,635)</u>	<u>-</u>	<u>17,023</u>
Unrestricted funds					
<i>Designated funds:</i>					
Non statutory deposits	11,016	294	(1,250)	-	10,060
Gary Twinn fund	5,935	-	(237)	-	5,698
Rent Extras fund	600	-	(50)	-	550
<i>General funds</i>	28,084	35,293	(27,654)	-	35,723
	<u>45,635</u>	<u>35,587</u>	<u>(29,191)</u>	<u>-</u>	<u>52,031</u>
Total funds	<u>67,433</u>	<u>58,447</u>	<u>(56,826)</u>	<u>-</u>	<u>69,054</u>
Prior year	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Restricted funds					
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>
Unrestricted funds					
<i>Designated funds:</i>					
Non statutory deposits	10,802	214	-	-	11,016
Gary Twinn fund	6,495	-	(560)	-	5,935
Rent Extras fund	1,845	160	(1,405)	-	600
<i>General funds</i>	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>
Total funds	<u>62,171</u>	<u>67,374</u>	<u>(62,112)</u>	<u>-</u>	<u>67,433</u>

WDGB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

9 Movement in funds (continued)

Fund descriptions

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 - restricted

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).

Olive Tree Trust - restricted

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.

Henry Smith - restricted

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.

General funds represent the free reserves of the charity.

WDGB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2020****10 Contingent Liabilities**

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

	2020	2019
	£	£
Statutory scheme		
Guarantees issued	27,508	33,403
Tenants contributions (net)	(4,232)	(5,360)
Net guarantee liability	23,276	28,043
Reserve funds to cover liability	8,523	8,773
Cover/Liability %	37%	31%
Non Statutory scheme		
Guarantees issued	25,180	27,300
Tenants contributions (net)	(1,360)	(1,150)
Net guarantee liability	23,820	26,150
Reserve funds to cover liability	10,060	11,016
Cover/Liability %	42%	42%

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 a average of 30% of bonds issued. By policy, the trustees seek to hold reserves of 40% to cover these potential liabilities.

11 Tenants' contributions

	2020	2019
	£	£
Balance held at 1 April 2019	6,510	5,875
Contributions in the year ended 31 March 2020	210	924
Less: Transfers to current account	(1,128)	(289)
Balance held at 31 March 2020	5,592	6,510

WDGB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2020****12 Prior year fund comparatives - Statement of Financial Activities**

	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Income from:			
Donations	22,129	45,200	67,329
Investments	45	-	45
Total income	22,174	45,200	67,374
Expenditure on:			
Raising funds	2,793	-	2,793
Charitable activities	12,129	47,190	59,319
Total expenditure	14,922	47,190	62,112
Net income/(expenditure)	7,252	(1,990)	5,262
Gross transfers between funds	7,500	(7,500)	-
Net movement in funds	14,752	(9,490)	5,262
Reconciliation of funds			
Total funds brought forward	30,883	31,288	62,171
Total funds carried forward	45,635	21,798	67,433

13 Prior year fund comparatives - Balance Sheet

	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Current assets			
Cash at bank and in hand	55,078	21,798	76,876
	55,078	21,798	76,876
Creditors: Amounts falling due within one year	(9,443)	-	(9,443)
Net current assets	45,635	21,798	67,433
Total assets less current liabilities	45,635	21,798	67,433
Net assets	45,635	21,798	67,433
Funds			
Restricted funds	-	21,798	21,798
Unrestricted funds:			
General funds	28,084	-	28,084
Designated funds	17,551	-	17,551
	45,635	21,798	67,433

WDGB Limited**DETAILED STATEMENT OF FINANCIAL ACTIVITIES****YEAR ENDED 31 MARCH 2020**

	Total funds 2020 £	Total Funds 2019 £
Income from:		
Gifts and donations	58,217	67,169
Rents received from tenants	180	160
Investments	50	45
Total income	58,447	67,374
Expenditure on:		
<i>Raising funds</i>		
Fundraising	2,903	2,793
<i>Charitable activities</i>		
Wages	34,757	33,380
Employer's pension	1,049	670
Guarantee claims paid	1,845	7,750
Restricted Expenditure	467	2,300
<i>Support costs</i>		
Rent	3,675	3,675
Insurance	495	490
Telephone	1,039	1,168
Printing, postage and stationery	1,242	1,394
IT costs	1,963	1,242
Repairs	-	92
Travel and subsistence	107	3
Training	4,915	3,509
Miscellaneous	173	815
Legal and professional fees	557	1,256
Year end accounts and independent examination	1,639	1,575
Total expenditure	56,826	62,112
Net income/(expenditure)	1,621	5,262

This page does not form part of the statutory financial statements.