

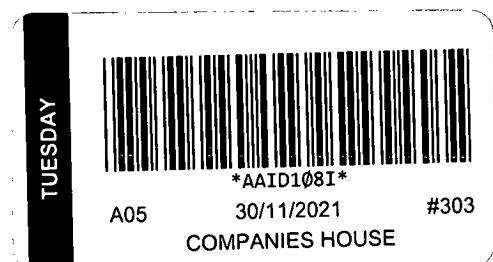
**WDGB Ltd (Working name KeySteps)**

**CHAIRMAN'S REPORT & FINANCIAL STATEMENTS**

**31 MARCH 2021**



Company Registration Number 07889611  
Charity Number 1146111



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Our charity, WDGB Ltd (working name **KeySteps**), continues to provide an essential service to homeless people during a time of uncertainty, health anxiety, and increase in mental health issues brought about by the COVID-19 pandemic which has changed the way we all operate.

We elected not to furlough our staff (1.5 full-time equivalents) because we had been fortunate enough to introduce cloud-based technologies in the previous year which enabled the work to be continued from home reasonably seamlessly. The staff have adjusted to servicing our client needs from home by increasing our social media presence, introducing electronic signing for necessary paperwork and being innovative and flexible in the way that they interact with clients.

There were some measures that mitigated the impact of the pandemic with the temporary cessation of eviction notices by landlords; the temporary increase in the rate of Universal Credit; and the temporary provision of extra accommodation for rough sleepers. It has changed the nature of the landscape of homelessness in North Somerset albeit temporarily. At the same time, Foodbanks throughout North Somerset have all had significantly increased footfall, so food poverty has increased together with social isolation and the mental health issues experienced by our clients, many of whom already struggle with depression, anxiety and loneliness.

The provision of services by North Somerset Council has also changed and clients can no longer access the Town Hall in Weston-super-Mare to have problems dealt with – this has been true of Citizen's Advice which also closed their doors. KeySteps has remained available by timely responses to telephone messages, letters, emails and Facebook messages. The Management Team have introduced the use of "Zoom" to conduct bi-monthly meetings.

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. 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 which has become more important this year when the usual channels have closed.

### Financial Sustainability

As we have commented before, our financial sustainability has been achieved by developing relationships with a number of Trusts and Foundations. The Board keeps its three-year Fundraising Strategy under regular review and plans new applications in advance where we are aware a time-limited grants will come to an end.

We would particularly like to acknowledge the **Henry Smith Charity** who gave us a 3-year grant in June 2018; in this third year they contributed £21,000 to our core work, critical to the ongoing stability of our Charity.

We were successful in applying for a new 3-year grant, from the **Trusthouse Charitable Foundation**: the first year's grant of £17,982 was received at the beginning of April 2020, and again, contributes greatly to the stability of the service to clients. This, together 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 smaller applications and seek donations to make up the balance of running costs each year.

The **Olive Tree Trust** has been a long-term committed supporter of our work and we were grateful to them to receive, on top of a current annual grant of £9,000, an additional £6,000 to recognise the difficulties that our Charity and our service-users would be facing during COVID.

We need to retrospectively acknowledge the generous support of £4,000 from the **Foyle Foundation** (accidentally omitted from our 2019/20 Report), which was an important grant for us that year; and a further £4,000 from the **Beatrice Laing Foundation** for which we were most grateful.

We also acknowledge the generous support of a small number of **'Friends of KeySteps'** and some local churches who continue to support our work with this vulnerable section of the community, including some very generous individual donors. We were able to additionally claim £878 from HMRC Gift Aid.

Once again, we did not have to draw from our reserves in 2020/21. Our largest ongoing cost within our overall expenditure is staff costs (1.5 staff) which amounted to 68% of expenditure; claims on bonds amounted to just over 4% of expenditure with the remaining 28% covering the rental of premises, running costs, training, fundraising, accounting and administrative costs (which reduced during COVID).

We operate **'The Gary Twinn Bursary'** and the **'Rent Extras Fund'** internally – these are designated funds within the charity to ensure that a successful tenancy may be achieved. The **Gary Twinn Bursary** is a client support fund so that we are able to make discretionary payments on behalf of tenants for essential items where clients have no resources at all and cannot secure them in any other way. 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

Helpfully, for those in crisis, our shared premises with **Somewhere to Go** have become increasingly busy as a hub for homeless/vulnerably-housed people in poverty, with the Night Assessment Centre established and agencies working more closely together to meet the multiple needs of people using the hub. There are extended nurse services, Addaction outreach and a new 'in-crisis' mental health service 'Safe Haven' opening 5pm–2am for those at risk of suicide/self-harm. Further additions to this hub are planned if funds can be raised to refurbish adjacent premises. This close proximity of services in the same building is to the advantage of all our clients and we are in regular conversation with the other agencies working with this client group. Sadly, COVID-19 changed the way all these new initiatives have operated but we will be able to report next year how these have developed.

We were unable to have our Strategic Planning day in 2020/21 due to Covid but we have scheduled one for early 2022. We have bi-monthly meetings using Zoom 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.

I am pleased to report that we recruited two new Trustees during 2020/21; **Becky Blinkhorn** is a solicitor who works with large organisations and has former experience of working with charities; **June Morgan** has recently retired, she knows the local homelessness scene and has been a volunteer at **Somewhere to Go** for many years. We very much welcome these new members to our team.

### A long-term solution to homelessness

As at 31st March 2021, the overall current total of people with a KeySteps bond being supported by the charity was 116. During the year 8 new homeless clients have been housed through the Bond Guarantee scheme, with a further 6 Bonds agreed and 6 people in the process of being matched with a room/flat. 46 bond-holders (new and existing) engaged with our support over the year to deal with problems that might have threatened their tenancy; work towards personal goals and take 'positive steps' to achieve greater stability, involving 222 sessions of advice/support.

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, last year we reviewed

our longer-term tenancy Sustainment figures and, out of 85 homeless individuals housed and supported (1.4.15 to 31.3.20) it is demonstrated 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.

Obviously in the year 1.4.20-31.3.21, the impact of Covid (as described elsewhere in this report) will have skewed our statistics but we will review the long-term tenancy sustainment figures at 31.3.22.

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. Between 2018-2021, of 40 tenancies created, 37 were successfully maintained, leading to positive outcomes for our tenants and improved long-term prospects.

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 59 bonds on behalf of those we have housed, with an outstanding liability of £23,805
2. **KeySteps** usually operates an open, face-to-face '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. During lockdown the service continued but by telephone, email, appointments and online methods. 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, issuing 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 staff dealt with a total of 437 requests for help.
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 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 2021, the balance of this grant was £7,653 and **KeySteps** still has a stock of 52 statutory bonds worth £27,188 – no new statutory bonds have been added since July 2011.

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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. 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 is 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 the shortfall described in Note 2. 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.
5. On a positive note, £20 was added to the weekly Universal Credit as a result of anticipated hardship during COVID.

**KeySteps** continues to have an impact in reducing homelessness and hardship in North Somerset despite the challenges that Covid-19 has presented. 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. 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.

We would like to end with quotes from two people who were housed through **KeySteps**. We have not added names to preserve the anonymity of clients in line with our Confidentiality policy.

*"You are all the very best at what you do and I appreciate the gift cards sent at Christmas, it warms my heart to know that there are such amazing people at hand in the darkest of times I thank you all!"* (Comment on our Feedback Form)

*"**Keysteps** was an absolute lifeline for me and I don't say that lightly, without the help you gave me in helping me secure a place to live frustration and disillusionment would have set in my recovery. I would of*



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*found it hard to gain employment and my self-esteem, which was fragile whilst living in a dry house, could of led me to relapse and not to over dramatize it, but at 50 years of age this could have been my last chance of continued sobriety or a future. Maggie and Julia, I don't think I could possibly put into words my heartfelt and sincere gratitude I feel towards you both and **Keysteps**. .... Having my own flat gave me a secure platform to go in search of employment. Which I am so happy to tell you both, that I have now done so and started work in July. This would have been no where possible, without your help in me getting a flat. Sorry to go on a bit, but I really wanted you both to know what a difference you have made to my here and now and most importantly I have a future now and that's a debt I will always owe you both and **Keysteps**." (Extract from a letter pro-actively written to us by one appreciative client).*

**Martin Knight**  
Chair of the Trustee Board

Date: 16/11/2021



The trustees present their report with the financial statements of the charity for the year ended 31 March 2021. 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**

A Hawkings resigned as a trustee on 1 June 2020. R Blinkhorn and J Morgan were appointed as trustees on 2 March 2021. 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.





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## **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 8 new rent deposit bonds during the year. At the end of the year, the charity managed 115 (2020: 117) bonds which represented around 150 people (individuals and families) who were no longer homeless in North Somerset. Additionally, 537 (2020: 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 £7,653 (2020: £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 £51,098.

### **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.



## 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 .....16<sup>th</sup> NOVEMBER.....2021.

.....  
K M Knight



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Company registered in England No: 07889611

Registered Charity No: 1146111

**Principal Address**

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

**Trustees**

R Blinkhorn (appointed 2 March 2021)  
K M Knight  
W Griggs  
J Morgan (appointed 2 March 2021)  
A Hawkings (resigned 1 June 2020)  
M Pearson  
N Oakley

**Independent Examiner**

Joshua Kingston BSc. ACA  
Burton Sweet Limited  
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 2021**

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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 2021.

**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.

  
Joshua Kingston BSc. ACA  
Burton Sweet Limited Chartered Accountants  
The Clock Tower  
5 Farleigh Court  
Old Weston Road  
Flax Bourton  
Bristol BS48 1UR

Date: 16/4/2021

**WDGB LIMITED****STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)****YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations		23,772	38,982	62,754	58,397
Investments		-	-	-	50
Other income		2,035	-	2,035	-
<b>Total income</b>		<u>25,807</u>	<u>38,982</u>	<u>64,789</u>	<u>58,447</u>
<b>Expenditure on:</b>					
Raising funds		-	-	-	2,903
Charitable activities	2	9,760	41,352	51,112	53,923
<b>Total expenditure</b>		<u>9,760</u>	<u>41,352</u>	<u>51,112</u>	<u>56,826</u>
<b>Net income/(expenditure) and Net movement in funds</b>		16,047	(2,370)	13,677	1,621
<b>Reconciliation of funds</b>					
Total funds brought forward		52,031	17,023	69,054	67,433
Total funds carried forward	9	<u>68,078</u>	<u>14,653</u>	<u>82,731</u>	<u>69,054</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 12

The notes on pages 13 to 19 form part of these financial statements

**WDGB LIMITED**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

Company number: 07889611

	Notes	Unrestricted funds £	Restricted funds £	2021	2020 £
<b>Current assets</b>					
Cash at bank and in hand	6	79,456	14,653	94,109	77,668
		<u>79,456</u>	<u>14,653</u>	<u>94,109</u>	<u>77,668</u>
<b>Creditors:</b> Amounts falling due within one year	7	(11,378)	-	(11,378)	(8,614)
<b>Net current assets</b>		<u>68,078</u>	<u>14,653</u>	<u>82,731</u>	<u>69,054</u>
<b>Total assets less current liabilities</b>		<u>68,078</u>	<u>14,653</u>	<u>82,731</u>	<u>69,054</u>
<b>Net assets</b>		<u><u>68,078</u></u>	<u><u>14,653</u></u>	<u><u>82,731</u></u>	<u><u>69,054</u></u>
<b>Funds</b>	9				
Restricted funds		-	14,653	14,653	17,023
Unrestricted funds:					
General funds		51,098	-	51,098	35,723
Designated funds		16,980	-	16,980	16,308
		<u>68,078</u>	<u>14,653</u>	<u>82,731</u>	<u>69,054</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 2021 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 16<sup>th</sup> NOVEMBER 2021 and are signed on their behalf by:



Mr KM Knight

Prior year fund comparatives are shown in note 13

The notes on pages 13 to 19 form part of these financial statements

# WDGB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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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).

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 2021**

**2 Charitable activities**

	<b>Direct costs</b>	<b>Support costs</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Servicing bonds	37,929	13,183	51,112
	<u>37,929</u>	<u>13,183</u>	<u>51,112</u>

**Prior year comparatives**

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

**Support costs - Allocated on a usage basis**

	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>
Premises costs	4,170	4,170
Office costs	9,013	11,635
	<u>13,183</u>	<u>15,805</u>

**3 Net income for the year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Independent examiner's fees:		
- for independent examination	1020	992
- for accounts preparation	680	662
	<u>1700</u>	<u>1654</u>

No trustees received remuneration during the period (2020: nil).

There were no trustees' expenses paid or waived for the period ended 31 March 2021 (2020: nil).

There were no donations received from trustees during the period (2020: 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 £26,287 (2020: £25,669).

**4 Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	33,752	34,757
Pension contributions	1,012	1,049
	<u>34,764</u>	<u>35,806</u>

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

	<b>2021</b>	<b>2020</b>
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 2021

### 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

	2021	2020
	£	£
HSBC current	53,560	35,232
HSBC savings	3,782	5,592
Scottish Widows Deposit account	36,655	36,619
Cash in hand	112	225
	<u>94,109</u>	<u>77,668</u>

At the year end funds held on behalf of tenants amounting to £3,782 (2020: £5,592) are included in the above.

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

	2021	2020
	£	£
Taxation and social security	1,161	1,162
Other creditors and accruals	10,217	7,452
	<u>11,378</u>	<u>8,614</u>

Within other creditors are funds held on behalf of tenants amounting to £3,782 (2020: £5,592).

### 8 Operating lease commitments

At 31 March 2021 the organisation had total minimum commitments under non-cancellable operating leases payable as set out below:

	Equipment 2021	Equipment 2020
	£	£
<b>Operating lease commitments payable:</b>		
Within 1 year	648	648
Between 2 to 5 years	<u>1,296</u>	<u>1,944</u>

# WDGB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

### 9 Movement in funds

Current year	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
<b>Restricted funds</b>					
Statutory Deposit Scheme	8,523	-	(870)	-	7,653
Trusthouse Grant	-	17,982	(17,982)	-	-
Henry Smith	8,500	21,000	(22,500)	-	7,000
	<u>17,023</u>	<u>38,982</u>	<u>(41,352)</u>	<u>-</u>	<u>14,653</u>
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Non statutory deposits	10,060	-	(538)	-	9,522
Gary Twinn fund	5,698	-	(1,090)	-	4,608
Rent Extras fund	550	260	-	2,040	2,850
<i>General funds</i>	35,723	25,547	(8,132)	(2,040)	51,098
	<u>52,031</u>	<u>25,807</u>	<u>(9,760)</u>	<u>-</u>	<u>68,078</u>
<b>Total funds</b>	<u>69,054</u>	<u>64,789</u>	<u>(51,112)</u>	<u>-</u>	<u>82,731</u>
 <b>Prior year</b>	 <b>At 1 April 2019 £</b>	 <b>Income £</b>	 <b>Expenditure £</b>	 <b>Transfers £</b>	 <b>At 31 March 2020 £</b>
<b>Restricted funds</b>					
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>
<b>Unrestricted funds</b>					
<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>
<b>Total funds</b>	<u>67,433</u>	<u>58,447</u>	<u>(56,826)</u>	<u>-</u>	<u>69,054</u>

# WDGB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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### 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.

##### *Trusthouse Grant - restricted*

This is a 3 year grant commencing on 01/04/2020 from the Trusthouse Charitable Foundation to cover a proportion of the charity's annual running costs worked out as £17,982 a year.

##### *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 2021

### 10 Contingent Liabilities

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

	2021 £	2020 £
<b>Statutory scheme</b>		
Guarantees issued	27,188	27,508
Tenants contributions (net)	(3,525)	(4,232)
Net guarantee liability	<u>23,663</u>	<u>23,276</u>
Reserve funds to cover liability	7,653	8,523
Cover/Liability %	32%	37%
<b>Non Statutory scheme</b>		
Guarantees issued	23,805	25,180
Tenants contributions (net)	(257)	(1,360)
Net guarantee liability	<u>23,548</u>	<u>23,820</u>
Reserve funds to cover liability	9,522	10,060
Cover/Liability %	40%	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

	2021 £	2020 £
Balance held at 1 April 2020	5,592	6,510
Contributions in the year ended 31 March 2021	772	210
Less: Transfers to current account	(2,582)	(1,128)
Balance held at 31 March 2021	<u>3,782</u>	<u>5,592</u>

# WDGB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

### 12 Prior year fund comparatives - Statement of Financial Activities

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

### 13 Prior year fund comparatives - Balance Sheet

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
<b>Current assets</b>			
Cash at bank and in hand	60,645	17,023	77,668
	<b>60,645</b>	<b>17,023</b>	<b>77,668</b>
<b>Creditors:</b> Amounts falling due within one year	(8,614)	-	(8,614)
<b>Net current assets</b>	<b>52,031</b>	<b>17,023</b>	<b>69,054</b>
<b>Total assets less current liabilities</b>	<b>52,031</b>	<b>17,023</b>	<b>69,054</b>
<b>Net assets</b>	<b>52,031</b>	<b>17,023</b>	<b>69,054</b>
<b>Funds</b>			
Restricted funds	-	17,023	17,023
Unrestricted funds:			
General funds	35,723	-	35,723
Designated funds	16,308	-	16,308
	<b>52,031</b>	<b>17,023</b>	<b>69,054</b>

**WDGB Limited****DETAILED STATEMENT OF FINANCIAL ACTIVITIES****YEAR ENDED 31 MARCH 2021**

	<b>Total funds 2021 £</b>	<b>Total Funds 2020 £</b>
<b>Income from:</b>		
Gifts and donations	62,454	58,217
Rents received from tenants	300	180
Investments	-	50
Other income	2,035	-
<b>Total income</b>	<b>64,789</b>	<b>58,447</b>
<b>Expenditure on:</b>		
<b><i>Raising funds</i></b>		
Fundraising	-	2,903
<b><i>Charitable activities</i></b>		
Wages	33,752	34,757
Employer's pension	1,012	1,049
Guarantee claims paid	2,315	1,845
Restricted Expenditure	850	467
<b><i>Support costs</i></b>		
Rent	3,675	3,675
Insurance	495	495
Telephone	689	1,039
Printing, postage and stationery	1,114	1,242
IT costs	1,015	1,963
Travel and subsistence	-	107
Training	4,135	4,915
Miscellaneous	96	173
Legal and professional fees	264	557
Year end accounts and independent examination	1,700	1,639
<b>Total expenditure</b>	<b>51,112</b>	<b>56,826</b>
<b>Net income/(expenditure)</b>	<b>13,677</b>	<b>1,621</b>

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