

BRANCHING OUT

(A Company limited by guarantee. No: 03068661)

(Charity No: 1047403)

TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Structure, Governance and Management

Legal status and structure, and management

Branching Out was founded in 1994 as a registered charity and became a private limited Company in 1995. The Directors (who also act as trustees for the charity) are listed above. The Company operates from leased premises in Littleport, providing training to benefit adults with learning disabilities. Branching Out is governed by its Board of Trustees who are elected by attendees at our General Meeting. Trustees can also co-opt additional Trustees to the Board, who must subsequently be elected at the General Meeting. The election or appointment of Trustees is detailed in the Articles of Association.

Trustees meet 6 times a year to review the strategic direction of the charity. Day to day management is delegated to the General Manager. Membership of the Board reflects the expertise of the respective Trustees in relation to the activities undertaken by the charity. Minutes of the meetings are subsequently circulated to the full Board.

The induction process for Trustees includes attendance at an initial meeting of the Board and further in-depth briefings from the General Manager. Further training is arranged to meet the specific needs of individual Trustees.

Details of last year's Annual General Meeting

The 24th AGM was held on 4th October 2019.

The Board of Directors was approved for another year unanimously.

The Annual Report and Accounts were also adopted unanimously.

Details of this year's Annual General Meeting

The company's 25th AGM will be held 28th January 2021. At the meeting the Directors/Trustees will be asked to approve the receipt of the Annual Report and Accounts and the next year's budget (use of Charity's funds). They will also review this year's and next year's objectives. New appointments to the board will also be considered.

BRANCHING OUT

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2020

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2020.

Reference and administrative details of the Charity, its Trustees and Advisers for the year ended 31 March 2020 are as follows:

REGISTERED NUMBER 03068661

CHARITY REGISTRATION NUMBER 1047403

TRUSTEES

Dr K B Taylor, Chairperson
Ms W Wilkinson
Mr B W Hayes
Mr D A Brook (resigned 6 September 2019)
Mr C J Barnett (resigned 9 September 2019)
Mr S J Gamble
Dr M C Williams-Gray (resigned 25 February 2020)
Mrs V Bowles (appointed 26 November 2020)
Mr J Hummersone (appointed 26 November 2020)

REGISTERED OFFICE

27 Grange Lane
Littleport
Cambridgeshire
CB6 1HW

INDEPENDENT AUDITORS

Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

BANKERS

Barclays Bank Plc
28 High Street
Ely
Cambridgeshire
CB7 4LA

BRANCHING OUT

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Registered
No.03068661
Charity No.1047403

BRANCHING OUT
(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

BRANCHING OUT

(A Company limited by guarantee. No: 03068661)
(Charity No: 1047403)

TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

About Us:

We are a local charity based in East Cambridgeshire. We support adults at risk with learning disabilities in a variety of fun work experience and social activities. Our high quality staff team help people, with encouragement to overcome difficulties and achieve in everyday life. The people we support are involved to become part of the Branching Out team helping the community with hands on experience.

Vision:

When we achieve, we have value, when we make mistakes we have understanding, when we look after our environment we have a community.

Mission:

We provide work experience with training for adults with learning disabilities, improving the environment and community. A wide choice of provision, tailored to meet the needs of the individual creates achievement and self-worth.

Values:

Branching Out value and support vulnerable adults with learning disabilities in East Cambridgeshire. The people we support are given a choice of the types of work experience they would like to do and are regularly consulted to see if they would like any changes.

We encourage the people we support to feel safe and build friendships with respect for each other and the wider community of Branching out.

Our values are:

- Showing respect to our service users, our charity shop customers and others
- Having courage to do the right thing
- Valuing our work

We will also:

- Continue to monitor the quality of the services we are providing to adults with learning disabilities to ensure that we provide flexibility and meet the needs of each individual.
- Continue to strive to be financially sustainable to secure the future of our staff and the people we support.
- Recruit and train high quality staff who are committed to providing the best care standards we expect for people with learning disabilities.

Trustees' Review 2019/20

We are proud of the support of our staff and volunteers, who have again shown how passionately they care about adults who use Branching Out services.

Our focus is upon adults with learning disabilities who live in the Cambridgeshire area. The objects of the charity say:

'The objects of the company shall be support and training for adults residing in the Cambridgeshire area who have learning disabilities, in particular the provision of education, training and advocacy to equip them for independent living within the community'

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TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Trustees' Review 2019/20 (continued)

We have found that by listening to people carefully we are able to develop our sense of ambition as Trustees to create wider services to support adults who access services we provide.

We know we can continue to make impact by listening to the views of adults who use our services, volunteers and staff and that will continue to be the most important way to guide our decisions.

We have the following additional objects for the charity:

'To grant emergency financial assistance to current clients of the charity to alleviate temporary hardship to them'

'To establish and run shops to raise funds for the charity by selling donated and second hand goods of any kind but not in such a way as would constitute permanent trading'

We know that Branching Out services enrich the lives of so many people and we want everyone involved to feel that sense of optimism and belonging to Branching Out.

Recruitment and retention of staff that share common values are vital to enhance our services and to support the advocacy work social care ask us to undertake. We have an apprenticeship scheme to support potential new staff into employment. Staff training continues to be a priority to maintain safe practice for vulnerable adults and to adhere to national guidelines for health and safety.

Our charity shop at Littleport continues to be vital to the success of Branching Out and provide work related experiences for volunteers from the community.

Our website and use of social media has improved our communications overall, and we are always happy to receive feedback and suggestions.

Making a difference and public benefit:

The Trustees have had due regard for the Charity Commission's guidance on public benefit.

All the adults at risk with learning disabilities who use our services benefit from all organisations working together in partnership to support the adult at risk. During the year objectives are agreed for the year ahead and progress during the past year is reviewed and monitored. In 2019/20 we delivered an average of 4,250 (2019 - 4,250) full day placements to adults with learning disabilities. We provided this service to an average of 37 (2019 - 37) people on a weekly/daily basis. In addition we also provided work experience placements to local schools.

We use a photographic based progress tracking document to record the achievements of the adult at risk who is using our service, which enables full participation.

Our volunteers make a real difference to peoples' lives on a daily basis and they also benefit from the opportunity to be involved in their community. Last year they contributed by giving 3190 hours of their time. All volunteers time is recorded and they are supported in their roles with policies and procedures for good practice.

We would like to thank all our volunteers who make such a difference to the lives of adults at risk in their community through all the various volunteer roles they undertake at Branching Out. We are grateful to all the individual donors and organisations from our community who have worked hard to help us to raise funds over the last year to support our work and build on our success of previous years.

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TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Making a difference and public benefit (continued)

During the year we have continued to develop the promotion of Branching Out via social media and increased our presence and awareness amongst our local community. It is important that we build on our social media presence in the community to increase awareness of our work and how the community can get involved to support us.

The activities we provide to our service users day provision are based on their preferences and identified need. These preferences and needs are identified with the service users and their circle of support including other professionals at each individual service user's review. This leads to service user led change and development of Branching Out activities to meet the needs of the people we support. Information on current activities is available on our website and Facebook.

We have one charity shop which we run for fundraising to subsidise the income we receive for social care placements and to pay for additional resources to ensure our ability to work to high quality standards. The charity shop also has the added benefit of providing quality items to the community at a low cost and recycling to reduce landfill. We have a system for helping those from or moving into our community in desperate need, with a basics pack subject to stock availability.

We continue to plant and water the village planters in Littleport for the Parish Council. In addition we deliver over 1,100 Littleport Life Magazines to houses and businesses in the village every quarter. We represent both Branching Out, the Littleport Life Magazine.

We recognise that special care day provision is not at the current time subject to Care Quality Commission inspections, however we realise that this will happen in the future and we are actively working to CQC standards.

We intend to continue our apprenticeship scheme in order to transfer skills to a younger generation of people who want to develop a career in social care.

Financial Review and Reserves Policy:

Branching Out is dependent on a number of fluctuating income streams particularly statutory funding, fundraising, shop profits, trust and corporate donations.

To enable the charity to make commitments to the community we work with, it needs to maintain a level of reserves so that it can continue its operation in the event that an unforeseen shortfall in income or increase in costs creates a funding shortfall. The Trustees calculate the amount that is required to be held based on the assessment of risks affecting the income and expenditure of the charity to be 3 months expenditure which equates to £110,000 of unrestricted funding.

At the balance sheet date the Charity holds unrestricted funds of approximately £451,324 (2019 – 402,090), which can be expended at the discretion of the Trustees in furtherance of the charity's objects. The Charity also holds restricted funds of £300 (2019 – Nil), which can only be applied for specific purposes.

The unrestricted reserve is required to support future projects for service users, premises, technology and contingency for the operational delivery of business due to Covid 19.

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TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Emergency Fund:

Over the last few years Branching Out has been putting all interest received from the charities Reserves into an Emergency Fund up to a maximum of £2,000 at any one time. This money is part of the unrestricted funds held by the charity. An application form has been agreed with the Trustees of Branching Out and the Learning Disability Partnership East Team. The Emergency Fund is open for applications on behalf of adults at risk with learning disabilities who are supported by Branching Out or who have been supported by Branching Out sometime in the previous 10 years and are suffering hardship. Applications are subject to terms and conditions and details are available on request from the General Manager.

Going concern

Branching Out's Board of Trustees have assessed the charity's finances and resources, alongside a review of the budget for 2020/21. On the basis of this assessment the Board of Trustees believe that the charity is in a position to manage its business risks.

The Board therefore has a reasonable expectation that adequate resources exist for the charity to continue to operate for the foreseeable future and thus continues to adopt the going concern basis of accounting in preparing these financial statements.

On the 23rd March 2020 government guidelines put the country into temporary lockdown due to Coronavirus COVID-19. The Board of Trustees and the General Manager met regularly using technology to support the charity to continue its work while meeting new government guidelines to combat the impact of the virus on our service users and staff. This has resulted in using technology in a new project called @Home Group. We have received assurances from Cambridgeshire County Council of intent to continue to pay the charity for its social care work while we work to get our service users back in our Day Services, subject to regular review. We reopened our charity shop and eBay shop on 16th June and our Day services at the beginning of July 2020. Our staff worked very hard getting all guidelines implemented to be one of the first to re-open all aspects of our organisation in order to meet the needs of our customers and the people we support. During "lockdown" we continued to support all our service users via Activity Packs, Safe and Well Checks, Home Visits, and @Home Group.

Health & Safety:

The trustees and management monitor health and safety with the organisation. Each work area carries out periodic health and safety checks. The General Manager and Trustees carry out an annual Health and Safety check. In addition we have an annual external health and safety audit. All checks and audits result in setting of actions as required. All employees have a vital part to play in the monitoring of health and safety within Branching Out and they are encouraged to report all hazards using our hazard reporting system. Any hazards are followed up with an open and honest discussion with the sole purpose of working to identify and reduce hazards to a minimum.

Disability and Equality

We have a Disability & Equality Scheme regarding ensuring Branching Out give full and equal access to all our beneficiaries and a copy of this is available from our website www.branchingoutuk.com.

We have an Equal Opportunities Policy which is given to all new employees as part of their induction process.

Where employees or beneficiaries have or develop a disability it is Branching Out's policy that wherever possible to provide reasonable adaptations to enable their employment or the service they receive to continue.

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TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Employee involvement

We have employee involvement embedded into the culture of our organisation. Information is continually provided and shared with all our employees within the open culture of our organisation. All staff are consulted on all major and minor changes affecting their work activities and the organisation. Regular meetings are held with staff to seek a two way flow of information. We use our intranet to share information with staff and in addition we use a specified social media site to share ideas among the staff team.

Service User involvement

We are committed to providing our service users with the information they need to access our site as independently as possible. We use specialised software for signage and assistive technology.

In addition our open culture within Branching Out is extended to include our service users. The staff explain all activities to our service users and expand on service users ideas and choices throughout the organisation. All major and minor changes are discussed with all our service users and their opinion is valued.

All service users are involved in reviewing their support plans. All support plans are personalised to include likes, dislikes and photographic evidence outcomes. All service users are familiar with their support plan and are able to use it to communicate their achievements with their circle of support during their annual reviews.

Use of Restrictive Interventions

Our support staff receive high quality, specialised training from PROACT SCIP @ UK for proactive, active and reactive support using the least restrictive option focusing in on individuals skills and preferences establishing the most proactive options. Our Proactive Support Team Manager is a qualified PROACT SCIP @ UK Instructor training our workforce and other organisations in the area in partnership with Cambridgeshire County Council. We are a PROACT SCIP @ UK sub-centre.

Trustees Liabilities

Branching Out indemnifies the Trustees and management against liability up to £1,000,000 (2019 - £1,000,000) in respect of proceedings brought by third parties. This third party indemnity provision was in force during the year.

Finance and Audit

The Trustees have responsibility for the oversight of key issues such as the financial management and prevention of fraud. Twice a year the Board specifically reviews the budget and finances of the charity and informally monitors the charity's progress throughout the year.

Governance

The Board ensures the good and effective ongoing governance of Branching Out. Key responsibilities are any governance matters which need to be addressed, overseeing the appointment, re-election and retirement of Trustees, ensuring good distribution of skills and experience among the Trustees and advising of the appointment of the General Manager.

Auditors

A resolution proposing the appointment of Price Bailey as auditors will be proposed at the Annual General Meeting.

Staff, Volunteers and Trustees

Finally the Board would like to thank the service users, staff, volunteers and fellow Board members for their commitment, dedication and hard work during the past year.

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FOR THE YEAR ENDED 31 MARCH 2020

Fundraising

The charity understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate, but does not currently undertake significant activities in order to fundraise from the public nor does it use any internal fundraisers or external fundraising agencies for either telephone or face-to-face campaigns and received no fundraising complaints during the year.

Plans for the future

We will continue to deliver our good quality, and efficient service for adults with learning disabilities.

An important part of this is to continually review our ability to raise income to support our work with our charity shop.

Striving to ensure our facilities are good quality.

Subject to cost we are hoping to complete the following over the next few years:

- Introduce Learning Tours for members of the Board
- Continue to improve our premises for the benefit of our service users
- Explore using technology to support our service users

In addition we are pleased to announce we have achieved the following during 2019/20 and our intention to continue to build on this work

- Expand our eBay Shop project and employ an assistant
 - Design, print, distribute a legacy leaflet
 - Continue to work with community organisations
 - Open our charity shop on Sunday's
 - Employ a new support worker in 2019
 - Expand our Pop Up Stall Project
 - Expand our volunteer scheme in the charity shop for ex-service users and other people with low support needs in the community
 - Regular review of a risk register
 - Continue our Skills Share Scheme to increase skills within our staff team

Branching Out is proud to be the charity partner of White Stuff store in Ely and we have enjoyed working with them over the past several years to raise money for our charity.

The Trustees are supporting a positive work life balance and are pleased to report this is now happening.

Branching Out are signed up to The Living Wage Foundation. Since 2016 Branching Out has been an accredited Living Wage Foundation Employer. The living wage is an hourly rate set independently and updated annually by the Centre for Social Policy at Loughborough University. The rate is calculated according to the basic cost of living in the UK. It is enough to ensure that all our staff and their families can live free from poverty and reward them fairly for the work they do.

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TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Responsibilities of the Trustees

The trustees (who are also the directors of Branching Out Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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. In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.


Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
27 Grange Lane
Littleport
Ely
Cambridgeshire
CB6 1HW

Dr Kim Taylor
Chairperson


Date:


28.1.2021

Signed on behalf of the trustees

Ms W Wilkinson
Trustee

Date:


28.1.2021

BRANCHING OUT

(A Company limited by guarantee. No: 03068661)

(Charity No: 1047403)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRANCHING OUT FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Branching Out (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

BRANCHING OUT

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRANCHING OUT

FOR THE YEAR ENDED 31 MARCH 2020

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report incorporating the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRANCHING OUT
FOR THE YEAR ENDED 31 MARCH 2020

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of:
Price Bailey LLP
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 4 March 2021

BRANCHING OUT

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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted £	Restricted Funds £	2020 Total £	2019 Total £
INCOME FROM					
Donations and legacies		14,538	3,156	17,694	14,684
Charitable activities	3	353,215	-	353,215	349,793
Other trading activities	4	111,530	-	111,530	108,316
Investments	5	785	-	785	608
Other income		1,164	-	1,164	-
TOTAL INCOME		481,232	3,156	484,388	473,401
EXPENDITURE ON					
Raising funds	6	63,591	-	63,591	83,220
Charitable activities	6	370,483	780	371,263	372,742
TOTAL EXPENDITURE		434,074	780	434,854	455,962
NET INCOME		47,158	2,376	49,534	17,439
Transfer between funds		2,076	(2,076)	-	-
RECONCILIATION OF FUNDS					
Total funds brought forward		402,090	-	402,090	384,651
TOTAL FUNDS CARRIED FORWARD		451,324	300	451,624	402,090

All income and expenditure derives from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

BRANCHING OUT

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BALANCE SHEET AS AT 31 MARCH 2020

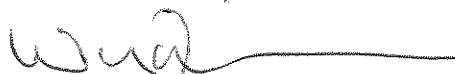
	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	11		135,956		152,869
CURRENT ASSETS					
Debtors	12	16,535		34,754	
Cash at bank and in hand		317,168		236,968	
		<u>333,703</u>		<u>271,722</u>	
CREDITORS					
Amounts falling due within one year	13	(18,035)		(22,501)	
NET CURRENT ASSETS			<u>315,668</u>		<u>249,221</u>
NET ASSETS			<u>451,624</u>		<u>402,090</u>
CHARITY FUNDS					
Unrestricted funds:					
General funds	14		176,874		128,988
Designated funds	14		274,450		273,102
Restricted funds	14		300		-
TOTAL FUNDS			<u>451,624</u>		<u>402,090</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on _____ and signed on their behalf, by:



Dr K B Taylor
Chairperson



Ms W Wilkinson
Trustee

The notes on page 17 to 26 form part of these accounts.

28.1.2021

28.1.2021

BRANCHING OUT
(A Company limited by guarantee. No: 03068661)
(Charity No: 1047403)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. GENERAL INFORMATION

Branching Out is a charity that is a Private Limited Company by guarantee which is registered in England & Wales. The principal office is 27 Grange Lane, Littleport Ely, Cambridgeshire, CB6 1HW.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 Section 1A) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Branching Out meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts are presented in British Pound Sterling which is the functional currency of the charity, rounded to the nearest pound.

2.2 Company status

The charity is a company limited by guarantee. The members of the charity comprise the Trustees, service users, staff and other supportive members who provide services to the charity. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The country of incorporation is the United Kingdom and registered office details are included within the reference and administration details on page 1.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

BRANCHING OUT

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

2 ACCOUNTING POLICIES (continued)

2.4 Income (continued)

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Income from grants whether 'capital' or 'revenue' is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Expenditure on charitable activities are costs incurred to enable the charity to meet the charitable objectives of the organisation.

2.6 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year. The assets of the scheme are held separately from that of the charity in an independently administered fund.

BRANCHING OUT

(A Company limited by guarantee. No: 03068661)

(Charity No: 1047403)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

2.7 Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost (including VAT where applicable).

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over 25 years (straight line basis)
L/Term Leasehold Property	-	over the term of the lease (straight line basis)
Plant & machinery	-	between 2 and 10 years (straight line basis)

2.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

2.9 Stocks

Donated items of stock for resale or distribution are not recognised in the accounts until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which records these items until they are sold and undertaking a stock take incurs undue cost and effort for the charity which far outweigh the benefits. There are no bought-in stock items.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

2.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value which is their cost with the exception of fixed assets which are recorded at depreciated historical cost.

BRANCHING OUT

(A Company limited by guarantee. No: 03068661)

(Charity No: 1047403)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

2.14 Going concern

The accounts have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the level of expected income and expenditure for the 12 months from the date of signing these accounts and are satisfied that the charity will continue as a going concern.

The Trustees have considered the effects of the COVID-19 pandemic as detailed in note 18 and consider there is no material impact on the charity.

Therefore, the Trustees continue to adopt the going concern basis in preparing these financial statements.

2.15 Estimates and Significant Accounting Policies

In preparing these accounts there are no significant estimates or accounting policies used which could materially alter the results for the year (2019: none).

2.16 Taxation

The Company is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within the categories covered by Chapter 3 art 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

BRANCHING OUT

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3. INCOME FROM CHARITABLE ACTIVITIES

	2020 Total £	2019 Total £
Service user income	350,030	346,098
Horticulture	3,135	3,422
Recycling	50	273
	<u>353,215</u>	<u>349,793</u>

All 2020 and 2019 income was unrestricted.

4. OTHER TRADING ACTIVITIES

	2020 Total £	2019 Total £
Fundraising	6,011	6,596
Littleport shop	84,321	72,117
Chatteris shop	-	21,074
Rental income	6,726	6,525
Ebay	14,257	864
Other	215	1,140
	<u>111,530</u>	<u>108,316</u>

All 2020 and 2019 income was unrestricted.

5. INVESTMENT INCOME

	2020 Total £	2019 Total £
Bank interest receivable	785	608
	<u>785</u>	<u>608</u>

All 2020 and 2019 income was unrestricted.

BRANCHING OUT

(A Company limited by guarantee. No: 03068661)
(Charity No: 1047403)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Direct Costs £	Support costs (note 7) £	2020 costs £
Costs of raising funds	20,785	42,806	63,591
Charitable activities:			
To support adults at risk with learning disabilities	262,609	108,654	371,263
	<u>283,394</u>	<u>151,460</u>	<u>434,854</u>

All 2020 expenditure was unrestricted, except for Charitable activities of £780 which were restricted and £4,351 which were designated.

Analysis of expenditure by activity – prior year

	Direct Costs £	Support costs (note 7) £	2019 costs £
Costs of raising funds	41,280	41,940	83,220
Charitable activities:			
To support adults at risk with learning disabilities	267,463	105,279	372,742
	<u>308,743</u>	<u>147,219</u>	<u>455,962</u>

All 2019 expenditure was unrestricted, except for Charitable activities of £9,805 which were restricted and £1,286 which were designated.

BRANCHING OUT

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

7. SUPPORT COSTS

	Unrestricted £	2020 Total £	2019 Total £
Premises	11,589	11,589	14,140
Wages and salaries	112,644	112,644	112,248
Governance (note 8)	14,809	14,809	10,953
Other	12,418	12,418	9,878
	<u>151,460</u>	<u>151,460</u>	<u>147,219</u>

All 2019 expenditure was unrestricted.

8. GOVERNANCE COSTS

	Unrestricted £	2020 Total £	2019 Total £
Auditor remuneration	9,650	9,650	6,200
Financial advice and consultancy	5,159	5,159	4,753
	<u>14,809</u>	<u>14,809</u>	<u>10,953</u>

All 2019 expenditure was unrestricted.

9. STAFF COSTS

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	295,095	307,484
Social security costs	17,923	19,475
Pension costs	4,404	4,775
Total	<u>317,422</u>	<u>331,734</u>

The average number of persons employed by the charity during the year was as follows:

	2020 £	2019 £
Charitable activity staff	9	10
Fundraising trading staff	5	4
Administrative staff	4	5
Total	<u>18</u>	<u>19</u>

BRANCHING OUT

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

10. KEY MANAGEMENT PERSONNEL

No employee received remuneration to more than £60,000 in either year.

The charity considers its key management personnel to comprise of 3 people. During the year, the total employment benefits of these 3 key management personnel, including social security and pension was £103,591 (2019: £119,423).

11. TANGIBLE FIXED ASSETS

	Freehold property £	L/Term Leasehold Property £	Plant & machinery £	Total £
Cost				
At 1 April 2019	117,841	251,225	70,254	439,320
Additions	329	2,295	2,399	5,023
Disposals	-	(8,392)	(8,273)	(16,665)
At 31 March 2020	118,170	245,128	64,380	427,678
Depreciation				
At 1 April 2019	62,254	167,757	56,440	286,450
Charge for the year	4,779	11,433	3,775	19,987
On Disposals	-	(6,712)	(8,003)	(14,715)
At 31 March 2020	67,033	172,477	52,212	291,722
Net book value				
At 31 March 2020	51,137	72,651	12,168	135,956
At 31 March 2019	55,587	83,467	13,815	152,869

12. DEBTORS

	2020 £	2019 £
Trade debtors	8,082	28,838
Prepayments and accrued income	8,453	5,916
	16,535	34,754

BRANCHING OUT

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

13. CREDITORS

	2020 £	2019 £
Trade creditors	2,659	3,416
Other taxation and social security	5,412	5,646
Other creditors	759	759
Accruals and deferred income	9,205	12,680
	<u>18,035</u>	<u>22,501</u>

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance At 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Designated funds					
Fixed asset fund- all funds	152,869	-	-	(16,913)	135,956
Emergency operating reserve	90,000	-	-	20,000	110,000
Replacement fund	28,233	1,000	(4,351)	1,612	26,494
Emergency fund	2,000	-	-	-	2,000
	<u>273,102</u>	<u>1,000</u>	<u>(4,351)</u>	<u>4,699</u>	<u>274,450</u>
General funds					
General funds- all funds	128,988	480,232	(429,723)	(2,623)	176,874
Restricted funds					
Workshop repairs	-	2,156	(80)	(2,076)	-
New chairs	-	700	(700)	-	-
Replacement PPE	-	300	-	-	300
	<u>402,090</u>	<u>484,388</u>	<u>(434,854)</u>	<u>-</u>	<u>451,624</u>

The replacement fund is money set aside to replace assets that are reaching the end of their usefulness or have become faulty i.e. should we need to replace a vehicle or a dishwasher etc.

The emergency fund is money set aside from interest paid on Branching Out's Reserve. This money is set aside to fund grants towards the purchase of resources such as a bed, fridge, oven etc. for applicants who meet our criteria and who are suffering genuine hardship.

The workshop repair fund relates to funds raised by a local supermarket for repairs in the workshop.

The new chairs fund is related to amounts donated to purchase new chairs.

The replacement PPE fund is related to amounts donated to purchase replacement PPE items.

The transfers relate to the capitalisation of applicable costs to Fixed assets and movement in depreciation.

BRANCHING OUT

(A Company limited by guarantee. No: 03068661)
(Charity No: 1047403)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF FUNDS - PRIOR YEAR

	Balance At 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds					
Fixed asset fund- all funds	163,532	-	-	(10,663)	152,869
Emergency operating reserve	90,000	-	-	-	90,000
Replacement fund	22,645	6,000	(1,286)	874	28,233
Emergency fund	1,957	43	-	-	2,000
	<u>278,134</u>	<u>6,043</u>	<u>(1,286)</u>	<u>(9,789)</u>	<u>273,102</u>
General funds					
General funds- all funds	90,284	467,358	(444,871)	16,217	128,988
Restricted funds					
Replacement door appeal	16,233	-	(9,805)	(6,428)	-
	<u>384,651</u>	<u>473,401</u>	<u>(455,962)</u>	<u>-</u>	<u>402,090</u>

The prior year split between unrestricted and designated funds on the Balance Sheet has been changed to agree to the note above. Overall this does not change the total funds figure of £402,090.

15. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £4,428 (2019 - £4,775). Contributions totalling £759 (2019 - £759) were payable to the fund at the balance sheet date and are included in creditors.

16. OPERATING LEASE COMMITMENTS

LESSEE:

At 31 March 2020 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings	
	2020 £	2019 £
Amounts payable		
Within 1 year	3,000	3,000
Between 1 and 5 years	12,000	12,000
After more than 5 years	5,250	8,250
Total	<u>20,250</u>	<u>23,250</u>

BRANCHING OUT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

LESSOR:

At 31 March 2020 the Charity had agreed commitments as a lessor under non-cancellable operating leases to receive the receipts as follows:

	Land and buildings	
	2020	2019
	£	£
Amounts payable		
Within 1 year	4,680	4,680
Between 1 and 5 years	-	-
After more than 5 years	-	-
	<hr/>	<hr/>
Total	<u>4,680</u>	<u>4,680</u>

17. RELATED PARTY TRANSACTIONS

No Trustees received any emoluments during this year or last and there were no trustee expenses incurred in either 2020 or 2019.

Dwayne Brook is a Trustee and the brother of Susan Wiggans, Chief Executive Officer. Any potential conflicts of interest arising during Trustee meetings are carefully managed and if necessary Mr Brook is absent from discussions, for example when agreeing remuneration of the senior management team. Mr Brook resigned on 6 September 2019. Total remuneration of key management personnel is included in note 10.

There are no other related party transactions to note.

18. POST BALANCE SHEET EVENTS

Since the year end COVID-19 has spread rapidly around the world with increasingly drastic effects on society and the economy. At the time of writing the full consequences are impossible to foresee, and new restraining actions are being developed on a day to day basis. Whilst the general effects on the economy and society are negative, we have assessed that, as far as can be known, the short-term financial impact of the virus on the Charity is likely to be minimal. We base this assessment on the following factors:

- The Charity's main income is from users who will continue to need the essential assistance they provide and many are supported by local governments, so payment is not considered an issue.

