



*'Supporting adults with learning disabilities  
to live active and fulfilling lives'*

**Registered No.03068661  
Charity No.1047403**

**BRANCHING OUT  
(A company limited by guarantee)**

**FINANCIAL STATEMENTS  
AND  
TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2022**

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## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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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 2022.

Reference and administrative details of the Charity, its Trustees and Advisers for the year ended 31 March 2022 are as follows:

**REGISTERED NUMBER** 03068661

**CHARITY REGISTRATION  
NUMBER** 1047403

**TRUSTEES** Dr K B Taylor, Chairperson (resigned as Chairperson 31 March 2022)  
Mr B W Hayes  
Mrs V Bowles  
Mr J Hummersone  
Mrs M Moll (appointed 27 May 2021)  
Mr J Boyle (appointed 29 July 2021 and as Chairperson 31 March 2022)  
Mr S J Gamble (resigned 19 November 2021)

**REGISTERED OFFICE** 27 Grange Lane  
Littleport  
Cambridgeshire  
CB6 1HW

**INDEPENDENT EXAMINER** H Wisbey ACA  
Whitings LLP  
14C Compass Point Business Park  
Stocks Bridge Way  
St Ives  
Cambridgeshire  
PE27 5JL

**BANKERS** Barclays Bank Plc  
28 High Street  
Ely  
Cambridgeshire  
CB7 4LA

# **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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## **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 on page 3. 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 monitor performance, provide support within their areas of expertise and 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 26th AGM was held on 25 November 2021.

The Board of Directors was approved unanimously for another year.

The Annual Report and Accounts were adopted unanimously.

### **Details of this year's Annual General Meeting**

The company's 27th AGM will be held on 24 November 2022. At the meeting the Directors/Trustees will be asked to approve the receipt of the Annual Report and Independently Examined Accounts for the financial year ended 31 March 2022. New appointments to the board will also be considered.

### **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 helps 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.

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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### **Values:**

Branching Out values and supports 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 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 high standards we expect for people with learning disabilities.

### **Trustees' Review 2021/22**

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'*

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 the services we provide.

We know we can continue to make an 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'*

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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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 practices for vulnerable adults and to adhere to national guidelines for health and safety.

Our charity shop in 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 have 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 2021/22 we were operating under the impact of the COVID-19 pandemic. Due to government guidelines and national lockdowns/tiers we delivered a service subject to guidance updates. In addition to the day placements, we did manage to deliver an extensive range of remote support so that all the people we support continued to benefit from the Charity throughout the pandemic. We provided this service to an average of 36 people on a weekly/daily basis.

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. During the year because of the COVID-19 pandemic impact volunteering opportunities we were limited to volunteering opportunities in the charity shop. We are very grateful to our volunteers for their continued support during this time with helping us to close and re-open the shop on various occasions according to changing guidelines and we kept in touch with the shop and other volunteers throughout the year. During the year we averaged approximately 40 volunteer hours per week (160 hours per month and 1920 hours per year).

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 the success of previous years.

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 to increase awareness of our work and how the community can get involved to support us.

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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The activities we provide to our service users each day 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 brings 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 promoting recycling and reducing 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.

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.

A deficit budget for 2021/22 of £32,476 was approved by Trustees following their meeting 25 February 2021. At that time income streams were expected to be constrained and sufficient reserves were available to bridge the gap.

It is pleasing to report that the accounts show only a small General Fund deficit for the year of £1,451. This is attributable to the charity shop income being well above budget and additional COVID related grants (unbudgeted) received from government.

The Trustees are required to maintain a level of reserves so that the Charity can continue its operations in the event of an unforeseen shortfall in income or a significant increase in costs.

At the balance sheet date the Charity holds unrestricted funds of £478,774 (2021: £488,955) (which can be expended at the discretion of the Trustees in furtherance of the Charity's objects) and restricted funds of £3,500 (2021: £4,815) (which can only be applied for specific purposes). Full details of the reserves held and their purposes can be found in Note 17 of the accounts on page 24.

The General Fund (unrestricted) is required to support future projects for service users, finance capital spending needs (e.g. repairs to buildings and renewal of technology), to deal with uninsured events and provide a contingency for the operational delivery of business.

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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### **Financial Control and Audit**

The Trustees have responsibility for the oversight of key issues such as the financial management and prevention of fraud. Trustees have approved a set of Financial Regulations (including an Investment Policy and an Anti Fraud, Corruption and Bribery Policy). This key governance document sets out who is responsible for the various financial activities. At every meeting of the Board the Treasurer reports the latest financial position and the outlook.

The Board of Trustees has determined that the 2021/22 accounts will be subject to an Independent Examination (IE) instead of a full audit. There is a significant cost saving and a reduction in the support required from the Charity for the process. Whittings LLP has been appointed and the Board will determine each year whether an IE or a full audit is required.

### **Going concern**

In considering its Medium Term Financial Plan for 2022/25, Branching Out's Board of Trustees has assessed the Charity's finances and resources, and approved a budget for 2022/23. On the basis of this assessment the Board of Trustees believe that the Charity is in a position to manage its business risks and it therefore has a reasonable expectation that adequate resources exist for the Charity to continue to operate for the foreseeable future and it continues to adopt the going concern basis of accounting in preparing these financial statements.

### **Health & Safety**

The Trustees and management monitor health and safety within 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 gives full and equal access to all our beneficiaries.

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

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

### **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 the changes affecting their work activities and the organisation. Regular meetings are held with staff to seek a two-way flow of information. We use Microsoft Teams to share information with staff and in addition we use a specified social media site to share ideas among the staff team.



## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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### **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 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 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 of outcomes. All service users are familiar with their support plan and are able to use it to communicate their achievements within their circle of support during their annual reviews.

### **Use of Restrictive Interventions**

Our support staff receive high quality, specialised training from PROACT SCIP<sup>®</sup> 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<sup>®</sup> UK Instructor training our workforce and other organisations in the area in partnership with Cambridgeshire County Council. We are a PROACT SCIP<sup>®</sup> UK sub-centre.

### **Trustees Liabilities**

Branching Out indemnifies the Trustees and management against liability in respect of proceedings brought by third parties. This third-party indemnity provision was in force during the year. The insured amounts are Professional liability is £5m (2021: £5m) and Management liability is £1m (2021: £1m) at a cost of:

Professional Liability - £1,099.44

Management Liability - £448.00

(Both inclusive of Insurance Premium Tax).

### **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 on the appointment of the General Manager.

### **Staff, Volunteers and Trustees**

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

### **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. It 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.

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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### **What we wanted to happen during the year**

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

### **What did happen during the year**

- Use of technology to expand our service to remote support for those service users impacted by the pandemic (COVID -19) restrictions, using Microsoft Teams, a secure Facebook group for service users, and weekly secure zoom chats for service users to keep in touch with each other, and introduction of a home support communication channel on Microsoft Teams.
- Organised regular activity packs posted to service users, when self isolating.
- Organised free remote support for school and college leavers with learning disabilities during the pandemic.
- Improved drainage of the car park and rear gravel areas to prevent flood risk.
- Work started in preparation to replace the shop roof in 2022. Work completed in June 2022.
- Purchase of laptops for all support and office based staff to enable flexible working and compliance with COVID guidelines and enabling support of our service users.

### **What we want to happen in the future**

We will continue to deliver a high 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 via our charity shop.

Striving to ensure our facilities are good quality.

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

- Continue to improve our premises for the benefit of our service users
- Continue using technology to support our service users
- Continue to support a positive work life balance.
- Continue with our accreditation (since 2016) as a Living Wage Foundation Employer\*.
- Continue to work with community organisations
- Introduce Learning Tours for new members of the Board after the pandemic

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

\* Branching Out is 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 should be enough to ensure that all our staff and their families can live free from poverty and reward them fairly for the work they do.

### **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).

## **BRANCHING OUT TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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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 incoming resources and application of resources, including 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 2015 (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 proper 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. The Trustees 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.

### **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

Signed on behalf of the Trustees

Mr J Boyle  
**Chairperson**  
Date:

Mr J Hummersone  
**Trustee and Treasurer**  
Date:

## **BRANCHING OUT**

# **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BRANCHING OUT FOR THE YEAR ENDED 31 MARCH 2022**

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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 2022 which are set out on pages 13 to 26.

### **Responsibilities and basis of report**

As the charity 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 company'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**

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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 that in any material respect:

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.

Signed:

Hannah Wisbey ACA

Whitings LLP

Raleigh House

14C Compass Point Business Park

Stocks Bridge Way

St Ives

Cambridgeshire

PE27 5JL

Date:

**BRANCHING OUT  
STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds £	Restricted funds £	Total funds £	<i>As restated</i> Prior year total funds £
<b><i>Income from</i></b>					
Donations and legacies	3	15,463	17,601	33,064	29,204
Charitable activities	4	304,475	-	304,475	308,051
Other trading activities	5	93,626	-	93,626	43,419
Investments	6	55	-	55	214
Other income	7	3,714	-	3,714	80,614
<b>Total income</b>		<b>417,333</b>	<b>17,601</b>	<b>434,934</b>	<b>461,502</b>
<b><i>Expenditure on</i></b>					
Raising funds	8	105,183	-	105,183	98,372
Charitable activities	8	322,310	18,937	341,247	320,984
<b>Total expenditure</b>		<b>427,493</b>	<b>18,937</b>	<b>446,430</b>	<b>419,356</b>
<b>Net Expenditure/Income (-)</b>	12	<b>10,160</b>	<b>1,336</b>	<b>11,496</b>	<b>-42,146</b>
Transfer between Funds		-21	21	-	-
<b><i>Reconciliation of funds</i></b>					
Total funds brought forward	17	<b>488,955</b>	<b>4,815</b>	<b>493,770</b>	<b>451,624</b>
Total funds carried forward	17	<b>478,774</b>	<b>3,500</b>	<b>482,274</b>	<b>493,770</b>

All income and expenditure derives from continuing activities.

**BRANCHING OUT  
BALANCE SHEET  
YEAR ENDED 31 MARCH 2022**

		at 31 March 2022		at 31 March 2021	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	13		<u>120,387</u>		<u>129,116</u>
<b>Current Assets</b>					
Debtors	14	13,572		25,969	
Cash at bank and in hand		<u>360,138</u>		<u>357,557</u>	
		373,710		383,526	
<b>Current Liabilities</b>					
Creditors: Amounts falling due in one year	15	<u>-11,823</u>		<u>-18,872</u>	
<b>Net Current Assets</b>			<u><b>361,887</b></u>		<u><b>364,654</b></u>
<b>Total Assets</b>			<u><b>482,274</b></u>		<u><b>493,770</b></u>
<b>Represented by:</b>					
<b>Charity Funds</b>					
<b>Unrestricted funds</b>					
General Fund	17		219,894		221,345
Designated Funds	17		258,880		267,610
Restricted Funds	17		<u>3,500</u>		<u>4,815</u>
<b>Total Funds</b>			<u><b>482,274</b></u>		<u><b>493,770</b></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 (which include the notes on pages 15 to 26 ) were approved and authorised for issue by the Board of Trustees on 28 October 2022 and signed on their behalf, by:

Mr J Boyle  
Chairperson

Mr J Hummersone  
Trustee and Treasurer

# **BRANCHING OUT**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **1. GENERAL INFORMATION**

- 1.1 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**

##### **Basis of preparation of the financial statements**

- 2.1 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.
- 2.2 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.
- 2.3 The accounts are presented in British Pound Sterling which is the functional currency of the Charity, rounded to the nearest Pound.

##### **Company status**

- 2.4 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 3.

##### **Fund accounting**

- 2.5 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.
- 2.6 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.
- 2.7 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.

## **BRANCHING OUT**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **Income**

- 2.8 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.
- 2.9 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.
- 2.10 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), volunteer time is not recognised and readers should refer to the Trustees' report for more information about their contribution.
- 2.11 Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.
- 2.12 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.
- 2.13 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.

#### **Expenditure**

- 2.14 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.
- 2.15 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.



## **BRANCHING OUT**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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- 2.16 Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Charity is demonstrably committed to either:
- Terminate the employment of an employee or group of employees before normal retirement date; or
  - Provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.17 Expenditure on raising funds is cost incurred in attracting voluntary income, and in trading activities that raise funds.

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

#### **Pensions**

2.19 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.

#### **Tangible fixed assets and depreciation**

2.20 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.

2.21 From 1 April 2021 tangible fixed assets costing more than £750 have been treated as capital in these accounts. Prior to this tangible assets costing more than £250 were treated as capital.

2.22 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 estimated residual value, over their expected useful lives on the following bases:

Freehold Property	- over 25 years (straight line basis)
Long Term Leasehold Property	- over the term of the lease (straight line basis)
Plant and Machinery	- between 2 and 10 years (straight line basis)

#### **Operating leases**

2.23 Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### **Stocks**

2.24 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 outweighs the benefits. There are no bought-in stock items.

## **BRANCHING OUT**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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##### **Debtors**

- 2.25 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.

##### **Cash at bank and in hand**

- 2.26 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.

##### **Liabilities and provisions**

- 2.27 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 payment for the goods or services it must provide.

##### **Financial instruments**

- 2.28 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.

##### **Going concern**

- 2.29 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.

- 2.30 The Trustees have considered the effects of the COVID-19 pandemic and consider there is no material impact on the Charity.

##### **Estimates and significant accounting policies**

- 2.31 In preparing these accounts there are no significant estimates or accounting policies used which could materially alter the results for the year (2021: none).

##### **Government grants**

- 2.32 Grants are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the Charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

##### **Taxation**

- 2.33 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 part 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  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**3. DONATIONS AND LEGACIES**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>		
Donations	15,463	13,203
Grants	-	-
	<u>15,463</u>	<u>13,203</u>
<b>Restricted Funds</b>		
Donations	565	565
Grants	17,036	15,436
	<u>17,601</u>	<u>16,001</u>
<b>Total</b>	<u><b>33,064</b></u>	<u><b>29,204</b></u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>		
Service User Income	301,556	306,317
Horticulture	2,919	1,734
	<u><b>304,475</b></u>	<u><b>308,051</b></u>

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>		
Fundraising	1,942	1,865
Littleport Charity Shop	65,320	24,873
Rental Income	10,380	7,413
Ebay Sales	15,761	9,005
Other	224	263
	<u><b>93,626</b></u>	<u><b>43,419</b></u>

**6. INVESTMENT INCOME**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>		
Bank Interest Receivable	55	214
	<u><b>55</b></u>	<u><b>214</b></u>

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**7. OTHER INCOME**

	<b>2021/22</b>	<b>2020/21</b>
	£	£
<b>Unrestricted Funds</b>		
Other Operating Income	-	564
Insurance Claims	-	13,623
COVID Retail Grant	2,667	19,907
COVID Job Retention Scheme Grant	1,047	46,520
	<u><b>3,714</b></u>	<u><b>80,614</b></u>

**8. ANALYSIS OF EXPENDITURE BY ACTIVITY**

	<b>Direct Costs</b>	<b>Support Costs (Note 9)</b>	<b>Total Costs 2021/22</b>
	£	£	£
Costs of raising funds	65,007	40,176	105,183
Charitable Activities:			
To support adults with learning difficulties	242,852	98,395	341,247
<b>Total</b>	<u><b>307,859</b></u>	<u><b>138,571</b></u>	<u><b>446,430</b></u>

All 2021/22 expenditure was unrestricted, except for Charitable Activities of £18,937 which was restricted.

**Analysis of expenditure by activity - prior year - as restated**

	<b>Direct Costs</b>	<b>Support Costs (Note 9)</b>	<b>Total Costs 2020/21</b>
	£	£	£
	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>
Costs of raising funds	49,402	48,970	98,372
Charitable Activities:			
To support adults with learning difficulties	215,035	105,949	320,984
<b>Total</b>	<u><b>264,437</b></u>	<u><b>154,919</b></u>	<u><b>419,356</b></u>

All 2020/21 expenditure was unrestricted, except for Charitable Activities of £11,486 which was restricted.

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**9. SUPPORT COSTS**

	<b>2021/22</b>	<b>2020/21</b>
	£	£
		<i>Restated</i>
<b>Unrestricted Funds</b>		
Premises	16,900	10,285
Wages and Salaries	97,090	116,318
Governance Costs (Note 10)	8,707	14,932
Other	15,874	13,384
	<b>138,571</b>	<b>154,919</b>

**10. GOVERNANCE COSTS**

	<b>2021/22</b>	<b>2020/21</b>
	£	£
<b>Unrestricted Funds</b>		
Independent Examination Fee (estimated)	2,100	-
Auditor remuneration - prior years	-654	8,394
Financial advice and consultancy	7,261	6,538
	<b>8,707</b>	<b>14,932</b>

**11a. STAFF COSTS**

	<b>2021/22</b>	<b>2020/21</b>
	£	£
<b>Unrestricted Funds</b>		
Wages and Salaries	289,234	285,972
Employer's National Insurance	17,136	17,236
Employer's Pension Contributions	5,421	5,059
	<b>311,791</b>	<b>308,267</b>

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

	<b>2021/22</b>	<b>2020/21</b>
Charitable Activity Staff	9.2	8.2
Fundraising and Trading Staff	5.3	4.7
Administrative Staff	3.7	3.3
	<b>18.2</b>	<b>16.2</b>

**11b. KEY MANAGEMENT PERSONNEL**

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

The Charity considers its key management personnel to comprise 3 people. During the year, the total employment benefits of these 3 key management personnel, salary, employer's national insurance and pension contributions, was £121,276 (2021: £116,211).

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**12. NET EXPENDITURE/INCOME (-)**

Net Income/Expenditure is stated after charging:

	<b>2021/22</b>	<b>2020/21</b>
	£	£
<b>Unrestricted Funds</b>		
Independent Examination fee (estimated)	2,100	-
Auditor remuneration - current year	-	6,540
Auditor remuneration - prior year	-654	1,854
Auditor remuneration - for other services	-	2,904
Depreciation	21,226	21,550
Operating Lease Rentals - Land and Buildings	5,000	3,025
	<u>27,672</u>	<u>35,873</u>

**13. TANGIBLE FIXED ASSETS**

	<b>Freehold Property £</b>	<b>Long Term Leasehold Property £</b>	<b>Plant and Machinery £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2021	119,620	247,288	75,480	442,388
Additions	6,421	-	12,519	18,940
Disposals	-1,038	-2,366	-26,633	-30,037
<b>At 31 March 2022</b>	<b>125,003</b>	<b>244,922</b>	<b>61,366</b>	<b>431,291</b>
<b>Depreciation</b>				
At 1 April 2021	72,102	183,963	57,207	313,272
Charge for the year	4,975	11,259	4,992	21,226
On disposals	-585	-1,206	-21,803	-23,594
<b>At 31 March 2022</b>	<b>76,492</b>	<b>194,016</b>	<b>40,396</b>	<b>310,904</b>
<b>Net Book Value</b>				
<b>At 31 March 2022</b>	<b>48,511</b>	<b>50,906</b>	<b>20,970</b>	<b>120,387</b>
At 31 March 2021	47,518	63,325	18,273	129,116

**14. DEBTORS**

	<b>2021/22</b>	<b>2020/21</b>
	£	£
Trade Debtors	8,913	7,340
Other Debtors	-	15,377
Prepayments and Accrued Income	4,659	3,252
	<u>13,572</u>	<u>25,969</u>

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**15. CREDITORS**

	2021/22	2020/21
	£	£
Trade Creditors	2,684	4,112
HMRC	4,933	3,585
Other Creditors	3,967	800
Accruals and Deferred Income	239	10,375
	<u>11,823</u>	<u>18,872</u>

**16. ANALYSIS OF ASSETS AND LIABILITIES REPRESENTING EACH OF THE CHARITY'S FUNDS**

**Current Year 2021/22**

	Unrestricted Funds 2021/22 £	Restricted Funds 2021/22 £	Total Funds 2021/22 £
Tangible Fixed Assets	120,387	-	120,387
Current Assets	370,210	3,500	373,710
Creditors due within one year	-11,823	-	-11,823
<b>Total</b>	<u>478,774</u>	<u>3,500</u>	<u>482,274</u>

**Previous Year 2020/21**

	Unrestricted Funds 2020/21 £	Restricted Funds 2020/21 £	Total Funds 2020/21 £
Tangible Fixed Assets	129,116	-	129,116
Current Assets	378,711	4,815	383,526
Creditors due within one year	-18,872	-	-18,872
<b>Total</b>	<u>488,955</u>	<u>4,815</u>	<u>493,770</u>

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**17. STATEMENT OF FUNDS**

**Current Year 2021/22**

	<b>Balance at 01-Apr-21 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers In/Out £</b>	<b>Balance at 31-Mar-22 £</b>
<b>Unrestricted Funds</b>					
<b>Designated Funds</b>					
Fixed Asset Fund	129,116	-	-	-8,730	120,386
Emergency Operating Reserve	110,000	-	-	-	110,000
Replacement Fund	26,494	-	-	-	26,494
Emergency Fund	2,000	-	-	-	2,000
<b>Total Designated Funds</b>	<b>267,610</b>	<b>-</b>	<b>-</b>	<b>-8,730</b>	<b>258,880</b>
<b>General Fund</b>	<b>221,345</b>	<b>417,333</b>	<b>427,493</b>	<b>8,709</b>	<b>219,894</b>
<b>Total Unrestricted Funds</b>	<b>488,955</b>	<b>417,333</b>	<b>427,493</b>	<b>-21</b>	<b>478,774</b>
<b>Restricted Funds:-</b>					
Just Giving Donations	-	565	565	-	-
Co-op Home Group	811	1,137	1,948	-	-
Infection Control Grants	4,004	15,899	16,424	21	3,500
<b>Total Restricted Funds</b>	<b>4,815</b>	<b>17,601</b>	<b>18,937</b>	<b>21</b>	<b>3,500</b>
<b>Total all Funds</b>	<b>493,770</b>	<b>434,934</b>	<b>446,430</b>	<b>-</b>	<b>482,274</b>

**Prior Year 2020/21**

	<b>Balance at 01-Apr-20 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers In/Out £</b>	<b>Balance at 31-Mar-21 £</b>
<b>Unrestricted Funds</b>					
<b>Designated Funds</b>					
Fixed Asset Fund	135,956	-	-	-6,840	129,116
Emergency Operating Reserve	110,000	-	-	-	110,000
Replacement Fund	26,494	-	-	-	26,494
Emergency Fund	2,000	-	-	-	2,000
<b>Total Designated Funds</b>	<b>274,450</b>	<b>-</b>	<b>-</b>	<b>-6,840</b>	<b>267,610</b>
<b>General Fund</b>	<b>176,874</b>	<b>445,501</b>	<b>-407,870</b>	<b>6,840</b>	<b>221,345</b>
<b>Total Unrestricted Funds</b>	<b>451,324</b>	<b>445,501</b>	<b>-407,870</b>	<b>-</b>	<b>488,955</b>
<b>Restricted Funds:-</b>					
Just Giving Donations	-	565	-565	-	-
Co-op Home Group	-	811	-	-	811
Infection Control Grants	-	14,625	-10,621	-	4,004
Replacement PPE	300	-	-300	-	-
<b>Total Restricted Funds</b>	<b>300</b>	<b>16,001</b>	<b>-11,486</b>	<b>-</b>	<b>4,815</b>
<b>Total all Funds</b>	<b>451,624</b>	<b>461,502</b>	<b>-419,356</b>	<b>-</b>	<b>493,770</b>

The transfers relate to the capitalisation of applicable costs to Fixed Assets, charges for depreciation and the writing out of assets with an original cost price of less than £750. The £21 transfer relating to Infection Control Grants corrects a minor error in 2020/21.

[Note continued on next page...]



## BRANCHING OUT

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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The purpose of each Reserve/Fund detailed above is set out in the Charity's Financial Regulations (Investment Policy). The Policy is reproduced below:

#### Restricted Funds

Any grants or donations where donors specify terms and conditions are classified as 'restricted.' Trustees cannot redirect these funds. If the funds cannot be spent in the year of receipt, any unspent balances are carried forward as Restricted Funds into the following financial year.

Just Giving Donations	Funds received to support Service Users in their own homes during periods of self isolation with covid.
Co-op Home Group	Funds received to buy equipment to help school leavers with learning disabilities who are not able to access physical support services during the covid pandemic.
Infection Control Grants	Grant received from County Council to finance the additional staff costs relating to covid testing for service users and staff.
Replacement PPE	Donations received to help finance the cost of new PPE for covid.

#### Unrestricted Funds – Designated

The Board has chosen to 'ring-fence' some unrestricted general funds, these are categorised as 'Designated':

**Fixed Asset Fund.** This fund represents the value of the Charity's fixed assets. The value cannot be realised and is therefore 'unusable.'

**Emergency Operating Fund.** This contingency fund represents approximately 3 months turnover and would, effectively, keep the Charity solvent in the event of a severe funding shortfall or be sufficient to deal with winding up costs.

**Replacement Fund.** This fund will finance the replacement of assets necessary for the continued operation of the Charity. These costs may be irregular and significant.

**Emergency (assistance) Fund.** This is a hardship fund set up by the Charity and originally financed from interest on investments. The fund can be used for grants to applicants who meet our criteria and who are suffering genuine hardship, e.g. to purchase household essentials such as a bed, fridge, or oven.

#### Unrestricted Funds - General

The General Fund is available to the Trustees to be allocated as required. This fund represents the working capital of the Charity, absorbing the cash flow fluctuations during the year but, more importantly, can be used to:

- support the budget (e.g., during periods where income is restricted),
- support future projects for service users,
- finance capital spending needs (e.g., repairs/alterations to buildings and renewal of technology, if no provision in the Replacement Fund),
- deal with any other unexpected or uninsured events.

## 18. 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 £5,421 (2021: £5,059). Contributions totalling £1,101 (2021: £800) were payable to the fund at the balance sheet date and are included in creditors.

**BRANCHING OUT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**19. OPERATING LEASE COMMITMENTS**

**LESSEE:**

At 31 March 2022 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	<b>Land and Buildings</b>	
	<b>2021/22</b>	<b>2020/21</b>
	£	£
<b>Amounts payable</b>		
Within 1 year	5,000	3,000
Between 1 and 5 years	20,000	12,000
After more than 5 years	5,000	2,250
<b>Total</b>	<b><u>30,000</u></b>	<b><u>17,250</u></b>

**LESSOR:**

At 31 March 2022 the Charity had agreed commitments as a lessor under non-cancellable operating leases to receive the receipts as follows:

	<b>Land and Buildings</b>	
	<b>2021/22</b>	<b>2020/21</b>
	£	£
<b>Amounts receivable</b>		
Within 1 year	4,800	4,680
	<b><u>4,800</u></b>	<b><u>4,680</u></b>

**20. RELATED PARTY TRANSACTIONS**

No Trustees received any emoluments during this year or last and there were no Trustee expenses incurred in either 2022 or 2021.

There are no other related party transactions to note.