

REGISTERED COMPANY NUMBER: 07381550
REGISTERED CHARITY NUMBER: 1139233

RECOOP
(COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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RECOOP

COMPANY INFORMATION

TRUSTEES AND DIRECTORS:-

Lorraine Lloyd

Roderick Knight (resigned in Jan 21)
Catherine Morgan
Ryan Harman (resigned Jun 20)
Leah Warwick
Dylan Phillips
Caroline Williams (resigned in Oct 20)
Kerryn Huck (appointed Oct 20)
David Bailey (appointed Oct 20)
Dave Nicholson (appointed Oct 20)
Della Cannings (appointed May 21)
Prof Helen Codd (appointed May 21)

COMPANY SECRETARY:-

Philip Baker

REGISTERED OFFICE:-

St Swithuns House
21 Christchurch Road
Bournemouth
BH1 3NS

REGISTERED COMPANY NUMBER:-

07381550

REGISTERED CHARITY NUMBER:-

1139233

AUDITOR AND BUSINESS ADVISOR:-

KPMG LLP
Gateway House
Tollgate
Chandler's Ford
Eastleigh
SO53 3TG

SOLICITOR:-

Steele Raymond Solicitors
Richmond Point
43 Richmond Hill
Bournemouth
BH2 6LR

BANKER:-

Lloyds TSB Bank Plc
45 Old Christchurch Road
Bournemouth
BH1 1ED

RECOOP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 March 2021

ANNUAL REPORT

The Trustees present their report and the financial statements for the year ended 31 March 2021, which should be read in conjunction with the information on page 2. This report also serves as the Directors' Report for the purposes of Company Law. The financial statements have been prepared in accordance with Accounting and Reporting by charities; Statement of Recommended Practice applicable to Charities preparing their accounts with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019 – Charity's SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

GOING CONCERN

As set out in the accounting policies note, after reviewing the company's forecasts and projections, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This includes consideration of the impact that Covid-19 may have upon its forecasts and projections, and measures taken to try and limit its potential impact. As the trustees have concluded that it has sufficient resources to enable it to continue in existence, the company continues to adopt the going concern basis in preparing its financial statements.

OBJECTIVES AND ACTIVITIES

RECOOP objectives, as defined in the Memorandum of Association, are:-

To promote the care, resettlement and rehabilitation of offenders and ex-offenders, in particular those over the age of 50, notably but not exclusively through the provision of support services, advocacy, financial advice, mentoring on issues such as employment and training and advice on housing and health that will enable them to take control of their lives and remain free from offending and prevent them from being socially excluded.

The trustees have given due regard to public benefit when planning the charity's activities, in accordance with Sections G2 and G3 of the Charity Commission's General Guidance on Public Benefit (January 2008).

The paragraphs above set out our activities, achievements and performance during the year, which are directly related to the objects and purposes for which the charity exists. The charity achieves its principal objects and purposes through the provision of support and advice to offenders and ex-offenders. These benefits are directly related to the aims of the charity and are fully compliant with Principles 1 and 2 of the Charity Commission Principles on Public Benefit.

ACHIEVEMENTS AND PERFORMANCE

During 2020/21, the pandemic curtailed much of the direct face to face delivery of our services. The operational team adapted and continued to support most prison services with telephony support for the most vulnerable. Buddy training programs were adapted into distance learning packages and rolled out across the two clusters. Specific dispensation was obtained from a number of prisons to maintain our Buddy support work.

New interventions were developed to help our service users whilst subjected to a restricted regime. These included 'On Track' a walking resource and stepometer and 'Wing It' our wing based socially distance activity pack.

35 individuals across six prisons have been trained up to National Care Certificate standard to allow them to work as Prison Buddies and help support vulnerable prisoners with health and social care challenges. This prison workforce has been helping many shielding prisoners, working alongside healthcare and prison colleagues during this difficult period.

RECOOP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 March 2021

In January 2021 we started a new prison service pilot project. We will be developing a new peer supporter training and management project to help those at risk of self-harm or violence. The THREADS project has been funded by HMPPS (Innovation Grant) and will run for two years. Delivery will be in the three Devon prisons and HMP Guys Marsh.

The Trustees are extremely grateful for the valuable contribution made by our volunteers who help the charity to achieve its objectives in supporting older prisoner welfare.

There is increasing demand for RECOOP's services and it has been successful in being awarded funding to develop further work across England and Wales over the next year.

FINANCIAL REVIEW

The Charity reports a net surplus for the year of £39,567 (2020: £13,890). Total funds at 31 March 2021 were £299,020 of which £299,020 were unrestricted.

PRINCIPAL RISKS AND UNCERTAINTIES

Recoop's trustees acknowledge their responsibility for identifying and managing the risks to which the charity is exposed. An annual review of the risk register ensures that the trustees are well informed to arrive at a set of parameters and decisions for the amount of risk they consider to be acceptable. The trustees continue to review and question the reserves policy to establish and agree an appropriate level of reserves. With this information the trustees can make informed choices about the strategic proposals put forward by the Chief Officer.

Recent years have been characterised by large scale changes in the criminal justice policy and operating environment which have provided opportunities as well as challenges for voluntary organisations working in criminal justice. There are risks that our activity and work loses its broad reach as budgets are squeezed and policy priorities and emphases shift.

This year we again assessed the appropriate level of Recoop reserves. We therefore considered how we could continue to operate in the event of a critical loss of funding. We feel that this is where we are most at risk and therefore most vulnerable. We strongly believe that our work is essential and that there is a longer term need for our services especially with a national Older Prisoner Strategy about to be launched. The prison population projection is forecast to grow from 78,000 to 98,700 by 2026 (MOJ 2021). The older prisoner group remains the fastest growing cohort. Our services will be needed more than ever in the future.

Recoop's business model means that income and expenditure can be forecast with reasonable accuracy. However, the uncertainty of voluntary sector funding; the turbulence of external factors; potential delays or cessation in previously relied upon income streams and the potential impact of Covid-19; mean that the trustees feel that an operating reserve needs to provide a core service level plus the cost of an orderly wind down of operations under the most extreme scenario. Therefore, our reserves policy is based on the scenario in which Recoop is faced with a critical loss of funding, making the continuation of the current model untenable, but in which the trustees wish to continue to provide core services to the sector.

Forecasting suggests that we would need a minimum of eight months to allow Recoop the time to explore new strategies and income streams to rebuild. Should this approach be adopted and reserves used, consideration will therefore have to be given to increasing the magnitude of reserves over the medium term. Caution, prudence and vigilance will be paramount, whilst operating with lower levels of reserves, so that a decrease in funding, or unplanned or increased expenditure can be accommodated without recourse to reserves.

Recoop will continue to monitor this position and a further review will be undertaken in March 2022 to agree Recoop's reserves in relation to environment, risk and functionality. Based on current expenditure levels, the

RECOOP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 March 2021

minimum amount required to execute the above is £326,000. Recoop's free reserves at 31 March 2021 are £299,000 (excluding designated funds of £140,000). The trustees have assessed the going concern basis as at the date this report and accounts are approved. They believe that the level of reserves held (including the flexibility of the use of the designated funds) outlined above and an analysis of the financial risks currently faced gives sufficient assurance to conclude that Recoop continues to be a going concern.

The Board has approved setting aside designated reserves of £140,000 in total. £120,000 is committed from the reserves to restructuring the management team over the next 24 months providing the corporate support required for the anticipated growth in the charity's size. In March 2020 this plan was suspended due to the Covid-19 pandemic and will be reviewed again once the potential long-term impact on the financial security of the organisation becomes clearer. Recruitment is planned for 2021. The remaining £20,000 is designated to independently evaluate new services. This will enable RECOOP to increase the quality of the products and services being developed as well as providing evidence of both cost savings and social return on investment for both prison partners and other stakeholders. It is expected that this will increase the impact of promotional and marketing activities to push these services more widely.

The Board has considered the impacts of Brexit and no significant impact is expected.

STRUCTURE, GOVERNANCE AND MANAGEMENT

RECOOP is a company limited by guarantee and a registered charity. The liability of the members is limited by their guarantee. The company was incorporated on the 20th September 2010 and is a subsidiary of Bournemouth Churches Housing Association Limited (BCHA).

The Trustees listed on page 2 have held office during the whole of the period from 1 April 2020 to the date of this report unless otherwise noted. No person may be appointed as a Trustee unless approved in writing by the parent member (BCHA), but the organisation does seek, through general advertisement and networking, additional members with relevant experience or interest in the work of the charity. The induction and training of trustees is undertaken by the parent member (BCHA).

RECOOP signed up to the parent member's (BCHA) NHF code of governance 2015 and has self-assessed as being compliant as at the year ending 31 March 2021. Board member appraisals were completed in December 2019 and the board have a number of actions to address the development areas highlighted by the exercise.

A review of the major risks to which the charity is exposed has been undertaken by the Board and systems are established to manage those risks. These risks are identified in the Risk Register which is reviewable on a quarterly basis each Board meeting.

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees 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 excess of [income over expenditure that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 March 2021

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 1 and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- They 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.
- That a financial risk assessment in light of Covid -19 has been completed, with the current reserves the charity is deemed to be a viable going concern with adequate resources to continue in operational existence for the foreseeable future..

Approved by the Trustees on 27 August 2021
and signed on their behalf by:



P. Baker
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECOOP

Opinion

We have audited the financial statements of RECOOP ("the Charitable Company") for the year ended 31 March 2021 which comprise the Income and Expenditure Account, the Balance Sheet and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Charitable Company as at 31 March 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Charitable Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Charitable Company or to cease its operations, and as they have concluded that the Charitable Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the Charitable Company's business model and analysed how those risks might affect the Charitable Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Charitable Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECOOP

- Enquiring of trustees, and inspection of policy documentation as to the Charitable Company's high-level policies and procedures to prevent and detect fraud, and the Charitable Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit and risk committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible opportunities for management override of controls (such as limited segregation of duties), we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Charitable Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included income and cash entries made to unexpected accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and from inspection of the Charitable Company's regulatory and legal correspondence and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with Charities Act 2016, GDPR compliance, health and safety and employment law recognising the regulated nature of the Charitable Company's activities. Auditing standards limit the required audit

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECOOP

procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 trustees' 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 take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on pages 5 and 6, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intends to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECOOP

reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Harry Mears (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
KPMG LLP
Gateway House, Tollgate
Chandler's Ford
SO53 3TG

31 August 2021

RECOOP
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
INCOME AND EXPENDITURE					
Income:					
Charitable activities	3	347,744	60,606	408,350	359,548
Total income		347,744	60,606	408,350	359,548
Expenditure:					
Charitable activities	4	308,177	60,606	368,783	345,658
Total expenditure	5	308,177	60,606	368,783	345,658
Net income and net movements in funds for the year		39,567	-	39,567	13,890
Reconciliation of funds					
Total funds brought forward		259,453		259,453	245,563
Funds Transferred		-	-	-	-
Total funds carried forward		299,020	-	299,020	259,453

The notes on pages 13 to 21 form part of these financial statements

RECOOP
BALANCE SHEET AT 31 March 2021

Company number: 07381550

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	6	1,879	4,104
Total Fixed Assets		<u>1,879</u>	<u>4,104</u>
Current Assets			
Debtors	7	137,532	103,061
Cash at bank and in hand		325,905	236,988
Total Current Assets		<u>463,437</u>	<u>340,049</u>
Liabilities			
Creditors falling due within one year	8	(166,296)	(84,700)
Net Current Assets		<u>297,141</u>	<u>255,349</u>
Total assets less current liabilities		299,020	259,453
Creditors: falling due after more than one year		-	-
Net Assets		<u>299,020</u>	<u>259,453</u>
The funds of the charity			
Restricted funds	9,10	-	-
Unrestricted funds	10,11	299,020	259,453
Total Charity Funds		<u>299,020</u>	<u>259,453</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under the Companies Act 2006.

The financial statements were approved by the Trustees and authorised for issue on 27 August 2021



Lorraine Lloyd
(Chair)

The notes on pages 13 to 21 form part of these financial statements.

RECOOP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021

1) COMPANY STATUS

The charity is a company limited by guarantee incorporated in England and Wales, whose registered office is set out on page 2. The members of the company are the trustees named on page 2. 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.

2) ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with the 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 (FRS102) (effective 1 January 2015) – (Charities SORP effective 1 January 2019), and the Companies Act 2006.

RECOOP meets the definition of a public benefit entity under FRS102. Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and the trustees consider it to be a going concern.

In preparing these financial statements the company has taken advantage of the disclosure exemptions conferred by FRS102 paragraph 1.12, in accordance with paragraphs 1.8 – 1.10. Therefore these statements do not include a cashflow statement, or certain disclosures in respect of financial instruments. The disclosure exemption has been adopted because the equivalent disclosure is included in the consolidated financial statements of Bournemouth Churches Housing Association Limited.

b) Income

Income is recognised when the charity has entitlement to funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor’s intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a

RECOOP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021

contingent asset and disclosed if material.

c) **Interest receivable**

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.

d) **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular purpose or defined project.

e) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified as relating to charitable activities, including any associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f) **Tangible fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category	Annual rate
Fixtures and Fittings	33%

g) **Debtors**

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

RECOOP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021

h) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) **Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value.

k) **Going concern**

After reviewing the company's forecasts and projections, in light of the Covid-19 pandemic the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The majority of the income for 21/22 comes from secured grants and committed Her Majesty's Prisons and Probation Service contracts (HMPPS). The company therefore continues to adopt the going concern basis in preparing its financial statements.

l) **Estimates and Judgements**

The Trustees have considered key estimates and judgements over balances in the light of Covid-19 and have concluded there are no significant issues to disclose.

3) INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Unrestricted Funds

	2021	2020
	£	£
Grant and contract income	347,744	257,994
	<u>347,744</u>	<u>257,994</u>

Restricted Funds

	2021	2020
	£	£
Grants	60,606	101,554
	<u>60,606</u>	<u>101,554</u>

RECOOP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021

4) COST OF CHARITABLE ACTIVITIES

	General Funds	Restricted Funds	Total
	£	£	£
Charitable activities 2021	308,177	60,606	368,783
Charitable activities 2020	244,528	101,130	345,658

5) TOTAL RESOURCES EXPENDED

	Staff Costs	Other Costs	Total
	£	£	£
Charitable activities 2021	287,425	81,238	368,663
Charitable activities 2020	262,200	83,458	345,658

Included within other costs are external audit fees of £2,600 (2020: £2,600).

TRUSTEES AND EMPLOYEES

Staff costs include the following:

	2021	2020
	£	£
Wages and salaries	258,666	235,588
Redundancy	-	-
Social security costs	22,109	20,232
Pension costs	6,650	6,380
	<u>287,425</u>	<u>262,200</u>

The number of employees for whom retirement benefits are accruing under money purchase pension schemes amounted to 1. (2020:1).

The average number of employees, analysed by function, was:

	Number 2021	Number 2020
Project based staff	11	9

No employee earned £60,000 or more in the period (2020 £nil).

No trustee received any remuneration or reimbursed expenses during the period (2020: £nil).

There are no retirement benefits accruing to the trustees under money purchase – pension schemes (2020: £nil).

RECOOP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021

6) TANGIBLE FIXED ASSETS

	Fixtures and Fittings	Total
	£	£
<i>Cost</i>		
At 1 April 2020	8,774	8,774
Additions	-	-
Disposals	-	-
At 31 March 2021	8,774	8,774
<i>Accumulated depreciation</i>		
At 1 April 2020	4,670	4,670
Charge for the year	2,225	2,225
Disposals	-	-
At 31 March 2021	6,895	6,895
<i>Net book value</i>		
At 31 March 2021	1,879	1,879
At 31 March 2020	4,104	4,104

7) DEBTORS

	2021 £	2020 £
Trade debtors	27,244	10,145
Prepaid expenses	39,024	22,272
Amounts owed from parent company	70,000	70,000
Taxation and social security	1,264	644
	<u>137,532</u>	<u>103,061</u>

Outstanding balances relating to intercompany recharges are settled in the following month. The loan from RECOOP to Bournemouth Churches Housing Association is charged at a fixed rate of interest of 2% and is settled monthly. The loan balance of £70,000 (2020: £70,000) is repayable on demand.

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8) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	3,079	270
Accruals and deferred income	9,889	6,967
Grants in advance	103,809	31,500
Amounts owed to group undertaking	49,519	45,963
	166,296	84,700

Outstanding balances relating to intercompany recharges are settled in the following month.

9) RESTRICTED FUNDS

	Balance 1 April 2020 £	Incoming resources £	Resources expended £	Transfers	Balance 31 March 2021 £
Garfield Weston	-	300	(300)	-	-
The Mulberry Trust	-	6,000	(6,000)	-	-
The Valentine Charitable Trust	-	3,306	(3,306)	-	-
Esmee Fairbairn Foundation	-	47,500	(47,500)	-	-
Chadwick Charitable Trust	-	3,500	(3,500)	-	-
Total	-	60,606	(60,606)	-	-

	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 March 2020 £
Lloyds TSB Foundation	26,791	-	-	(26,791)	-
Devon Prison Cluster	24,384	19,339	(18,710)	(25,013)	-
The Mulberry Trust	-	8,000	(8,000)	-	-
Esmee Fairbairn Foundation	-	54,167	(54,167)	-	-
The Valentine Charitable Trust	-	5,000	(5,000)	-	-
Total	51,175	86,506	(85,877)	(51,804)	-

Our funding from the Mulberry Trust helps with some staffing costs within our business development and commercial team.

The Esmee Fairbairn Foundation funding supports our new Buddy Support, ‘Transition’ resettlement training and business development

The Valentine Trust grant funded our Dorset resettlement support and prison work at HMP Erlestoke.

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Chadwick Charitable Trust grant was received in relation to the Healthy Living Project at HMP Eastwood Park female prison.

A thorough review of the restricted and unrestricted funds was undertaken during the financial year 2020/21 resulting in movements between restricted and unrestricted funds. There are no restricted funds remaining unspent at the end of the financial year 2020/21.

10) UNRESTRICTED FUNDS

	Balance 1 April 2020 £	Incoming resources £	Resources expended £	Transfers	Balance 31 March 2021 £
Unrestricted Funds	64,453	347,744	(308,177)	55,000	159,020
Designated Funds	195,000	-	-	(55,000)	140,000
Total	259,453	347,744	(308,177)	-	299,020

	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Transfers	Balance 31 March 2020 £
Unrestricted Funds	119,388	309,593	(244,528)	(120,000)	64,453
Designated Funds	75,000	-	-	120,000	195,000
Total	194,388	309,593	(244,528)	-	259,453

The Board has approved the transfer of reserves to a designated fund for the purpose of developing and independently evaluating new services.

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11) ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 31 March 2021

	Tangible Fixed Assets £	Net Current Assets £	Total £
<i>Restricted funds:</i>	-	-	-
<i>Unrestricted funds:</i>	1,879	297,141	299,020
	<u>1,879</u>	<u>297,141</u>	<u>299,020</u>

As at 31 March 2020

	Tangible Fixed Assets £	Net Current Assets £	Total £
<i>Restricted funds:</i>	-	-	-
<i>Unrestricted funds:</i>	4,104	255,349	259,453
	<u>4,104</u>	<u>255,349</u>	<u>259,453</u>

12) CONTROL

The ultimate and immediate parent undertaking is Bournemouth Churches Housing Association Limited. The results of RECOOP are included in the consolidated accounts of Bournemouth Churches Housing Association Limited; these consolidated accounts are available from: St Swithun's House, 21 Christchurch Road, Bournemouth, Dorset BH1 3NS.

13) RELATED PARTY TRANSACTIONS

During the year, BCHA charged RECOOP £35,683 (2020: £33,341) in respect of goods and services and management charges. There was £20,481 (2020: £24,037) owed by BCHA to RECOOP as at 31 March 2021.

The registered office and full address for RECOOP and BCHA is St Swithuns House, 21 Christchurch Road, Bournemouth, Dorset BH1 3NS.

RECOOP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021

14) FINANCIAL INSTRUMENTS

The charity's financial instruments may be analysed as follows:

	2021	2020
	£	£
Financial assets that are recorded at transaction price	423,149	317,132
Financial liabilities that are recorded at amortised cost	12,969	7,237

Financial assets comprise cash, trade debtors and loans

Financial liabilities comprise trade creditors, accruals and other loans.