

REGISTERED COMPANY NUMBER: 07381550
REGISTERED CHARITY NUMBER: 1139233

RECOOP
(COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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RECOOP

COMPANY INFORMATION

TRUSTEES AND DIRECTORS:-

Lorraine Lloyd (Chair)

Catherine Morgan

Leah Warwick (resigned 17 June 2022)

Dylan Phillips

Kerryn Huck

David Bailey

Dave Nicholson

Della Cannings – appointed 20 May 2021

Prof Helen Codd – appointed 20 May 2021

COMPANY SECRETARY:-

Philip Baker

REGISTERED OFFICE:-

The Factory
14 Alder Hills
Poole
BH12 4AS

REGISTERED COMPANY NUMBER:-

07381550

REGISTERED CHARITY NUMBER:-

1139233

AUDITOR AND BUSINESS ADVISOR:-

Crowe U.K. LLP
St James House
St James' Square
Cheltenham
GL50 3PR

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 2022

ANNUAL REPORT

The Trustees present their report and the financial statements for the year ended 31 March 2022, 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 any future outbreaks of Covid-19 may have upon its forecasts and projections, and measures taken to try and limit the 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, and mentoring on issues such as employment and training and advice on housing and health, enabling 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 below 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 2021/22, 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. Over 500 1-2-1 sessions have been providing specialist support for the most vulnerable. Issues have varied from bereavement and loss to loneliness and anxiety. It's been a very tough year for our prison cohort. 40 Resettlement Day Release orientation visits have been provided to those nearing release and 31 of our service users in five prisons and Probation Approved Premises have attended a bespoke older resettlement course.

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. Over the last year we have trained up 130 Buddies across 6 prisons. 14 have completed additional end of life care and bereavement modules. We currently have a monthly average of 198 recipients receiving Buddy support from 45 trained Buddies across all sites. We are really pleased to have been able to continue training and supporting the service delivery throughout the pandemic.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 March 2022

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 distanced activity pack. 210 of our On Track walking resource, to aid well-being after long periods of lock up, have been sold to nine prisons. Two new routes have been developed and are ready for roll out.

In early January 2021 we started a new prison service pilot project 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 runs for two years. Although hampered by the pandemic, over the last year we have trained up 24 peer supporters who are working with 45 prisoners providing mental health and well-being support. This is being delivered in HMP Exeter and HMP Guys Marsh.

Our joint delivery of the CFO 3 contract with BCHA has continued to perform well despite the difficulties over the year. During 2021/22 167 participants started the program with 86 accessing specialist support interventions. 51 were supported through training qualifications. Eight then progressed into education, volunteering or self-employment positions and 13 secured employment positions.

The Trustees are extremely grateful for the valuable contribution made by our staff and our volunteers, both of whom 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. We have been designated as a supply chain partner for a new prison contract, opening in early 2023 where we will be delivering a day centre service and range of interventions for the older cohort. We continue to partner with a number of lead operators in the retendering of private prison contracts and anticipate further successes in the coming year.

FINANCIAL REVIEW

The Charity reports a net surplus for the year of £42,733 (2021: £39,567). Total funds at 31 March 2022 were £341,753 of which £331,010 were unrestricted.

PRINCIPAL RISKS AND UNCERTAINTIES

RECOOP's trustees acknowledge their responsibility for identifying and managing the risks to which the charity is exposed. The approach to the management of risk includes:

- Adoption of the BCHA Group's Risk Appetite for setting the approach to all strategic activity
- Risk appraisal and mitigation for all proposed new ventures
- Regular review of the strategic Risk Map at meetings of the Board throughout the year.

Risk Management is also coupled with Group-level stress test scenarios of our Financial Plan each year and ensuring that mitigation strategies are put in place to ease financial pressures where scenarios crystallise singularly or concurrently.

The top three strategic risks as identified and scored on the Strategic Risk Map at the year end are summarised below:

- Staff assault in 121's or Group sessions (although HMPPS staff are largely responsible for security and risk management in the prison environment)
- Competition for funding/contracts.
- Policy changes by Government in Criminal Justice sector
- Reputational damage from adverse media coverage of prisons/offenders

RECOOP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 March 2022

Mitigations have been identified by the trustees for these and other risks.

An ongoing 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 2023 to agree RECOOP's reserves in relation to environment, risk and functionality. Based on current (2022/23) expenditure levels, the minimum amount required to execute the above is circa £200,000. RECOOP's free reserves at 31 March 2022 are £328,942 (including 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 2021 this plan was suspended due to the Covid-19 pandemic but was reviewed again as part of the 2022/23 budget round and recruitment has commenced. 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.

RECOOP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 March 2022

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 2021 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 2020 and has been working in the reporting year toward implanting systems and processes to comply with the relevant provisions of the Code. It should be noted that some provisions are only applicable at Group-level (for example Audit Committee requirements) and others are not applicable at all (for example Board remuneration).

The Board of RECOOP has self-assessed as being compliant as at the year ending 31 March 2022. A full statement of compliance can be found on the Charity's website www.recoop.org.uk

COMPLIANCE & INTERNAL CONTROL

Recoop uses the Group-wide Framework of Business Planning Risk and Internal Control which is based on the model developed by the US Committee of Sponsoring Organizations of the Treadway Commission (COSO). This internationally recognised model has five integrated components:

1. Control Environment (standards, processes and structures)
2. Business Planning and Risk Assessment (defining the strategy and understanding risks to achieving objectives)
3. Control Activities (policies, procedures and systems to mitigate risk)
4. Information & Communication (generating and sharing data)
5. Monitoring (assessing that the components are present and functioning)

Within these five components are 17 principles which drill down into a broad range of control measures. The Board receives regular and ongoing assurance on legal/regulatory compliance and control via a number of measures including:

- Appropriate and robust systems, policies and procedures
- Quarterly review of risks
- Quarterly review of performance, customer satisfaction and compliance
- Use of external legal advice, consultancy, and expertise, as required
- Participation in the Group annual Internal Audit programme utilising independent auditors
- and regularly reports to the Board on the effectiveness of assurance it receives.

Assessment of the effectiveness of Internal Controls

In our annual Group-level self-assessment, eight of the principles were scored as Strong, seven as Moderate to Strong and two as Moderate. There were no components scored as Weak.

It also concluded that there were no weaknesses that have resulted in material losses, contingencies or uncertainties which require disclosure in the accounts.

The measures in place give robust assurance to the Board on a regular basis that the viability of the organisation should not be compromised.

RECOOP
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 March 2022

The Board reviewed the range and effectiveness of controls that were in place for the year ending 31st March 2022 and up to the date of this report.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Approved by the Trustees on 5 September 2022
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 2022 which comprise the Income and Expenditure Account, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating 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 a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECOOP

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept; or
- 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS102). We assessed the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECOOP

required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were health and safety, employment and taxation legislation.

Auditing standards limit the required audit 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.

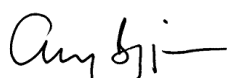
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit, Risk and Treasury Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations

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

Use of our report

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



Guy Biggin
for and on behalf of Crowe U.K. LLP, Senior Statutory Auditor
Chartered Accountants

Crowe U.K. LLP
St James House, St James' Square
Cheltenham
GL50 3PR
20 September 2021

RECOOP
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
INCOME AND EXPENDITURE					
Income:					
Charitable activities	3	365,634	148,452	514,086	408,350
Total income		365,634	148,452	514,086	408,350
Expenditure:					
Charitable activities	4	335,712	135,641	471,353	368,783
Total expenditure	5	335,712	135,641	471,353	368,783
Net income and net movements in funds for the year		29,922	12,811	42,733	39,567
Reconciliation of funds					
Total funds brought forward		299,020	-	299,020	259,453
Funds Transferred		2,068	(2,068)	-	-
Total funds carried forward		331,010	10,743	341,753	299,020

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

RECOOP
BALANCE SHEET AT 31 March 2022

Company number: 07381550

	Notes	2022 £	2021 £
Fixed Assets			
Tangible assets	6	553	1,879
Total Fixed Assets		<u>553</u>	<u>1,879</u>
Current Assets			
Debtors	7	155,400	137,532
Cash at bank and in hand		325,005	325,905
Total Current Assets		<u>480,405</u>	<u>463,437</u>
Liabilities			
Creditors falling due within one year	8	(139,205)	(166,296)
Net Current Assets		<u>341,200</u>	<u>297,141</u>
Total assets less current liabilities		341,753	299,020
Creditors: falling due after more than one year		-	-
Net Assets		<u>341,753</u>	<u>299,020</u>
The funds of the charity			
Restricted funds	9,10	10,743	-
Unrestricted funds	10,11	331,010	299,020
Total Charity Funds		<u>341,753</u>	<u>299,020</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 and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the Trustees and authorised for issue on 5 September 2022



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 2022

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 2022

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 2022

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 22/23 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

	2022	2021
	£	£
Grant and contract income	365,634	347,744
	<u>365,634</u>	<u>347,744</u>

Restricted Funds

	2022	2021
	£	£
Grants	148,452	60,606
	<u>148,452</u>	<u>60,606</u>

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4) COST OF CHARITABLE ACTIVITIES

	General Funds	Restricted Funds	Total
	£	£	£
Charitable activities 2022	335,712	135,641	471,353
Charitable activities 2021	308,177	60,606	368,783

5) TOTAL RESOURCES EXPENDED

	Staff Costs	Other Costs	Total
	£	£	£
Charitable activities 2022	346,792	124,561	471,353
Charitable activities 2021	287,425	81,238	368,663

Included within other costs are external audit fees of £2,600 (2021: £2,600).

TRUSTEES AND EMPLOYEES

Staff costs include the following:

	2022	2021
	£	£
Wages and salaries	312,023	258,666
Redundancy	-	-
Social security costs	27,076	22,109
Pension costs	7,693	6,650
	<u>346,792</u>	<u>287,425</u>

The number of employees for whom retirement benefits are accruing under money purchase pension schemes amounted to 1. (2021:1).

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

	Number	Number
	2022	2021
Project based staff	14	11

No employee earned £60,000 or more in the period (2021 £nil).

No trustee received any remuneration or reimbursed expenses during the period (2021: £nil).

There are no retirement benefits accruing to the trustees under money purchase – pension schemes (2021: £nil).

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6) TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Total £
<i>Cost</i>		
At 1 April 2021	8,774	8,774
Additions	-	-
Disposals	(2,289)	(2,289)
	<hr/>	<hr/>
At 31 March 2022	6,485	6,485
	<hr/>	<hr/>
<i>Accumulated depreciation</i>		
At 1 April 2021	6,895	6,895
Charge for the year	1,326	1,326
Disposals	(2,289)	(2,289)
	<hr/>	<hr/>
At 31 March 2022	5,932	5,932
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 March 2022	553	553
	<hr/>	<hr/>
At 31 March 2021	1,879	1,879
	<hr/>	<hr/>

7) DEBTORS

	2022 £	2021 £
Trade debtors	30,207	27,244
Prepaid expenses	55,193	39,024
Amounts owed from parent company	70,000	70,000
Taxation and social security	-	1,264
	<hr/>	<hr/>
	155,400	137,532
	<hr/>	<hr/>

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 (2021: £70,000) is repayable on demand.

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8) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	3,738	3,079
Accruals and deferred income	4,645	9,889
Grants in advance	85,884	103,809
Amounts owed to group undertaking	42,279	49,519
Other Creditors	2,659	-
	<hr/>	<hr/>
	139,205	166,296
	<hr/>	<hr/>

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

9) RESTRICTED FUNDS

	Balance				Balance
	1 April 2021	Incoming	Resources	Transfers	31 March
	£	resources	expended		2022
	£	£	£		£
The Valentine Charitable Trust	-	7,361	(7,361)	-	-
Aldo Trust	-	900	(791)	492	601
The Triangle Trust	-	29,881	(27,812)	(2,560)	(491)
Esmee Fairbairn Foundation	-	23,427	(12,794)	-	10,633
Third House Trust	-	4,150	(4,150)	-	-
Devon Threads Grant	-	82,233	(82,233)	-	-
Chadwick Charitable Trust	-	500	(500)	-	-
Total	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	148,452	(135,641)	(2,068)	10,743

	Balance				Balance
	1 April 2020	Incoming	Resources	Transfers	31 March
	£	resources	expended		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	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	60,606	(60,606)	-	-

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 final part of this grant will be released in April 2022, the last

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operating quarter for the work undertaken.

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

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

10) UNRESTRICTED FUNDS

	Balance 1 April 2021 £	Incoming resources £	Resources expended £	Transfers	Balance 31 March 2022 £
Unrestricted Funds	159,020	365,634	(335,712)	2,068	191,010
Designated Funds	140,000	-	-		140,000
Total	299,020	365,634	(335,712)	2,068	331,010

	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

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 2022

	Tangible Fixed Assets £	Net Current Assets £	Total £
<i>Restricted funds:</i>	-	10,743	10,743
<i>Unrestricted funds:</i>	553	330,457	331,010
	553	341,200	341,753

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
	1,879	297,141	299,020

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: The Factory, 14 Alder Hills, Poole BH12 4AS. 13)

13) RELATED PARTY TRANSACTIONS

During the year, BCHA charged RECOOP £38,022 (2021: £35,683) in respect of goods and services and management charges. There was a net £27,721 (2021: £20,481) owed by BCHA to RECOOP as at 31 March 2022.

The registered office and full address for RECOOP and BCHA is The Factory, 14 Alder Hills, Poole BH12 4AS.

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14) FINANCIAL INSTRUMENTS

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

	2022	2021
	£	£
Financial assets that are recorded at transaction price	425,212	423,149
Financial liabilities that are recorded at amortised cost	53,321	62,487

Financial assets comprise cash, trade debtors and loans

Financial liabilities comprise trade creditors, accruals and other loans.