

Bounce Back Foundation

**Trustees Report and Audited Financial
Statements**

31 March 2023

(A charitable company limited by
guarantee)

Company number 07675301

Charity number 1144297

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Reference and administrative details

Trustees	Sue Killen Richard Wilson Jean Daintith Craig Denholm Elaine Hindal	Deborah Rozansky Jim Heptinstall Caroline Shuldham Tim Sampey
Key management personnel	Mary Suphi Andrew Mondon Vicki Markiewicz	
Registered Office	3 rd Floor, North West Suite Tower Point 44 North Road Brighton BN1 1YR	
Principal office	32 Southwark Bridge Road London SE1 9EU	
Charity registration number	1144297	
Company number	07675301	
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW RSM UK 6 th Floor 25 Farringdon Street London EC4A 4AB	
Bankers	Barclays Bank Plc 2 nd Floor, 90-92 High Street Crawley, West Sussex RH10 1BP	

Reference and administrative details

Solicitors

DMH Stallard
Gainsborough House
Pegler Way
Crawley, West Sussex
RH11 7FZ

Hempsons
The Exchange
Station Parade
Harrogate, North Yorkshire
HG1 1DY

Report of the Trustees 31 March 2023

The trustees present their statutory report together with the financial statements for the year ended 31 March 2023.

The report has been prepared in accordance with Part VIII of the Charities Act 2011 and constitutes a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 22 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws, and 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 United Kingdom and Republic of Ireland (FRS 102).

Objectives and Activities

Purpose and main activities

Bounce Back Foundation provides an end-to-end solution to reducing crime and re-offending which drives social mobility. It works in police custody, prison and the community to create opportunities for youth, young people and adults at risk of offending or re-offending, with a focus on education, training and employment.

The cost to society of crime and substance use is significant, around £1.8 billion per annum to the taxpayer. It costs circa £46,000 to keep one person in prison for a year, with a current population of circa 86,000 and growing, and a reoffending rate now at 50%. With a UK population of 1.3 million unemployed people, recruiters are struggling to recruit and retain people with relevant skills.

Across Greater London, since Bounce Back's inception, it has helped around 8,000 young people and adults improve their life choices and bounce-back, through its portfolio of diversionary activities, education, training and employment services, with a particular focus on construction trades.

Bounce Back like many organisations, saw its delivery impacted by COVID. That meant a total reshaping of how it delivers services in prison and the community. That effort has paid dividends, with 2022 – 2023 being one of our busiest years to date, with Bounce Back portfolio of services working with 1,400 people across the year, an increase of 40% from the previous year.

Bounce Back services support people furthest from the labour market, and with a range of complex challenges. 13% of prisoners report having never had a job before. Our belief is that sustainable employment allows people to lift themselves out of poverty, moving to a place of financial inclusion.

The starting point of the charities work is focussed on working with individuals to address the causes of their criminal activity, and building positive experiences, to make different life choices, shifting themselves out of poverty, to provide purpose and belonging. 15% of people accessing our services disclosed a history of drug or alcohol use, and 40% of people told us they have insecure or no accommodation. It's hard to think about getting and holding down a job if you are in active addiction, and if you don't have access to secure accommodation.

Bounce Back strives to support as many people as our funding allows. We know with more funding we could do more and thank all our supporters and funders for their contributions, which help us make a difference.

No two journeys are the same and Bounce Back tailor their support to each individual's education, training and employment goals. In 2022-23, we saw 630 participants receive information, advice and guidance for the world of work and 225 participants complete one of our in-house accredited training courses in our prison or community training hubs. Furthermore, 152 participants secured jobs, with 89% still in those posts 3 months on, and a staggering 74% still in their jobs 6 months later.

Bounce Back focuses on diversion from offending and rehabilitation of ex-offenders in custody and the community. It offers pathways to employment and the advancement of education and training; principally for ex-offenders but also other socially excluded or marginalised people by providing them with:

- ◆ Diversionary activities, wellbeing and support to access education, training and enter employment for young people
- ◆ Confidence building, help gaining new skills or retraining in new skills, with access to training, job preparation and interview practice, plus support with everyday life skills to build personal resilience
- ◆ Bursaries to help with costs to starting a job, and access one of our in-work support coaches to help navigate the new experiences and pressures to enable them to remain in work
- ◆ Access to mentoring and business advice from our network of corporate volunteers.
- ◆ Access to on-the-job training and experience with our construction social enterprise.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. The board of trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the Charity's future activities.

Bounce Back has been consistent in its mission since it began, with a focus on skills training, qualifications and support into employment. These skills include painting and decorating, dry lining and scaffolding in response to labour market demand. The work starts with early intervention in custody, then provides people in and out of custody with education and qualifications leading them into employment in Bounce Back's own social enterprise, as well as with their partners who include the construction industry and a broad spectrum of other employers.

Objectives and Activities (continued)

How they support participants

The fundamental principle is around engaging with participants on a one-to-one basis in case management. The Case Management teamwork with individuals pre and post release to support them into further training, education and employment opportunities with a full wraparound service responding to the needs of the individuals to enable them to thrive. This kind of support is what participants need to be able to enter sustainable employment, improve their quality of life and stay out of prison.

Bounce Back has developed an extensive network of employers who work with them to identify the key skills and training required within specific industries at any given moment, working with participants to develop CVs, and employability skills and offering them employment (often before they are even released from prison). This commercial model of engagement was recognised as best practice in the 2016 Government review of training in prisons, 'Unlocking Potential' by Dame Sally Coates.

Participants more than ever require additional support following the pandemic. This has meant increasing project training budgets to work more intensely with pre-employment and training support, whilst also strengthening partnerships with specialist organisations to tackle mental wellbeing and financial resilience.

The Bounce Back Social Enterprise

Bounce Back Project Limited is a social enterprise which is a wholly owned subsidiary of Bounce Back Foundation. The enterprise employs individuals working on painting and decorating and construction contracts, primarily within the M25. During the year, the enterprise completed a small number of commercial property refurbishment contracts and is expecting this activity to grow in the future.

Once individuals have gained employment with the social enterprise, the team continue to train them to further enhance their skills or they can move on to work with other employers.

Change Grow Live

Change Grow Live became the sole member of Bounce Back Foundation on the 29 July 2020.

The activity and purpose of Bounce Back Foundation aligns with the charitable objectives of Change Grow Live, centred on improving the lives of individuals and the communities in which they live.

Achievements and Performance

Achievements

- ◆ Supported 1,400 people this year across all our teams – an increase of 40% compared to last year.
- ◆ 152 participants secured employment with 44% entering the construction sector.
- ◆ 89% of participants have sustained their job role for 3 months, with 74% sustaining for 6 months.
- ◆ 225 participants achieved a qualification with Bounce Back - both in custody and in the community (in-house training).
- ◆ 318 participants accessed external training with our training partners.
- ◆ 630 participants have received Information, Advice and Guidance.
- ◆ Over 15% of our community participants have disclosed a history of drug or alcohol use.
- ◆ 40% of our participants are not in permanent accommodation, with homelessness on the rise.

Financial Review

Financial statements

The charity generated a loss of £197,335 during the year (2022 - loss of £348,668), with a deficit on unrestricted funds of £79,211 (2022 - deficit of £397,934) and a deficit on restricted funds of £118,124 (2022 – surplus of £49,266).

Income increased by £519,015 to £3,512,646 compared to the prior year (2022 - £2,993,631) arising from charitable activity and donations from various trusts, foundations, private funders, and companies.

Total expenditure for the year was £3,709,981 (2022 - £3,342,299).

Change Grow Live are committed to Bounce Back Foundation and believe in the long-term viability of the charity. It supports the clear strategy for income generation that Bounce Back Foundation has developed.

Financial position

The charities total negative funds of £412,750 (2022 – negative of £214,415) are represented by a restricted fund of £28,530 (2022 - £146,654) and unrestricted negative fund of (£441,280) (2022 - negative of £362,069).

A prior year adjustment of £198,496 was made to the opening unrestricted negative funds balance of £560,555 at 1 April 2022. The restated balance at 1 April 2022 was unrestricted negatives funds of £362,069 and total negative funds of £215,415. Further details can be found in note 7.

The Foundation received restricted funding of £673,068 during the year of which £791,192 was spent in 2022/23. Total restricted funds at the year-end was £28,530.

Reserves policy

The charity requires reserves primarily for working capital purposes as some of its contract income is received in arrears. In addition, the charity is reliant upon grants and donations to support its charitable activities and therefore reserves are required for cash flow purposes in the event that there are any gaps in funding.

The trustees are seeking to build the general reserves in order to provide sufficient working capital for these purposes. Over the short term the charity is working towards a break-even budget in the periods ahead but is reliant on the committed support of its parent. The resources of the charity have been restructured to ensure that resource levels match current obligations whilst providing appropriate infrastructure to develop the charity. It is anticipated that the charity will start to improve its reserves position through the addition of new contracts.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

Following a period of restructure and consolidation the Foundation is well placed to achieve its ambition of generating a surplus.

Over the short-term the company is working towards a break-even budget in the period ahead but is reliant on the continued support of its parent, to ensure it has the resources to meet its commitments as they fall due and continue as a going concern.

Following confirmation of this continued support from Change Grow Live, the Directors are satisfied there are no material uncertainties surrounding the company's ability to continue as a going concern and the accounts have been prepared on that basis.

Plans for the future

During 2022/23 the resources of the Charity were reviewed and restructured in order to continue to meet the Charities obligations and to provide capability and capacity for future opportunities. The charity continues to explore the education, training and employability sector to identify potential contracts that meets the charities objectives. Despite the current economic climate the trustees consider that there are good possibilities for the charity to utilise its expertise and experience.

As part of a process of ongoing review and improvement the charity is always exploring ways in which it can increase participant outcomes and broaden its portfolio to reduce risk. To these ends Bounce Back continually grows partnerships with other statutory bodies, Housing organisations, Government agencies and charities that complement its own programme.

Working closely with Change Grow Live, we have been able to widen our client group and support clients who are at the end of their journey through the Change Grow Live programmes with training and employment.

Fundraising

The Foundation does not directly fundraise from individuals and is therefore not registered with the Fundraising Regulator. The Foundation does receive gifts, grants and donations which may relate to specific activities. These restricted funds are managed appropriately, and activities are undertaken in line with the restrictions. It is intended that the Foundation will continue to move towards contract funded activities and will therefore be less reliant on gifts, grants and donations.

Structure, Governance and Management

Governing document

The governing instrument of the Foundation is the Memorandum and Articles of Association dated 20 June 2011 and was amended on 11 October 2011.

Constitution

Bounce Back Foundation was incorporated as a company limited by guarantee on 20 June 2011 and registered as a charity on 17 October 2011.

Trustees

The trustees who served throughout the year and to the date of approval of these financial statements, were as follows:

Sue Killen	Caroline Shuldhham
Richard Wilson (appointed 21 Sept 2022)	Elaine Hindal
Rachel Atkinson (deceased 21 Sept 2023)	Deborah Rozansky
Jean Daintith	Jim Heptinstall
Craig Denholm	Tim Sampey

Trustees hold office for a term of three years which can be extended for a further three years and can be extended beyond this in special circumstances.

Specific roles that trustees hold are detailed within the financial statements of its ultimate parent company, Change Grow Live.

Details of the charities corporate governance are set out within the financial statements of its ultimate parent company, Change Grow Live.

Statement of Trustees' Responsibilities

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and

Statement of Trustees' Responsibilities (continued)

expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities SORP;
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable 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 business.

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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ♦ So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ♦ Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by the Trustees and signed on their behalf by:



Trustee – Sue Killen

Date: 13th December 2023

Independent Auditor's Report to the Members of Bounce Back Foundation

Opinion

We have audited the financial statements of Bounce Back Foundation ('the charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 2023 and of 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

- 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 their 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 and proper 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' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable 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 (FRS 102). We assessed the 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 charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation, employment legislation and General Data Protection Regulation (GDPR).

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

Independent auditor's Report Year ended 31 March 2023

irregularities, including fraud, to be within the timing and recording of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, 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.

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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 20th December 2023

Statement of financial activities Year to 31 March 2023

		Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	As Restated total 2022
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies	1	73,334	-	73,334	114,916	57,570	172,486
Charitable activities	2	2,714,264	673,068	3,387,332	2,239,976	474,799	2,714,775
Gifts in Kind		51,980	-	51,980	95,205	-	95,205
Investments		-	-	-	15	-	15
Other income		-	-	-	11,150	-	11,150
Total income		2,839,578	673,068	3,512,646	2,461,262	532,369	2,993,631
Expenditure on:							
Charitable activities	3	2,827,456	791,192	3,618,648	2,685,669	483,103	3,168,772
Raising funds	4	39,353	-	39,353	78,319	-	78,319
Gifts in Kind		51,980	-	51,980	95,207	-	95,207
Total expenditure		2,918,789	791,192	3,709,981	2,859,195	483,103	3,342,298
Net (expenditure) / income		(79,211)	(118,124)	(197,335)	(397,933)	49,266	(348,667)
Net movement in funds for the year		(79,211)	(118,124)	(197,335)	(397,933)	49,266	(348,667)
Reconciliation of funds							
Total funds brought forward (as previously stated)		(560,555)	146,654	(413,901)	35,864	97,388	133,252
Prior year adjustments	7	198,486	-	198,486	-	-	-
Total funds brought forward (as restated)		(362,069)	146,654	(215,415)	-	-	-
Total funds carried forward		(441,280)	28,530	(412,750)	(362,069)	146,654	(215,415)

Balance Sheet as at 31 March 2023

	Notes	2023 £	2023 £	As restated 2022 £	As restated 2022 £
Fixed assets					
Tangible assets	8		42,100		61,597
Investments	13		100		100
Total fixed assets			42,200		61,697
Current assets					
Debtors	9	1,038,118		405,316	
Cash at bank and in hand		1,463,064		236,839	
		2,501,182		642,155	
Current liabilities:					
Creditors: amounts falling due within one year	10	(2,956,132)		(919,267)	
Net current liabilities			(454,950)		(277,112)
Net liabilities			(412,750)		(215,415)
The funds of the charity:					
Restricted funds	12		28,530		146,654
Unrestricted funds:	12		(441,280)		(362,069)
Total funds			(412,750)		(215,415)

Approved and authorised by the Board on 13th December 2023 and signed on their behalf by:



Trustee – Sue Killen

Bounce Back Foundation
Company No. 07675301

Statement of Cash Flows as at 31 March 2023

	2023 £	2022 £
Cash flows from operating activities:		
Net cash generated / (used in) operating activities (note A)	1,232,908	(372,926)
Cash flows from investing activities		
Purchase of plant and equipment	(6,683)	(64,129)
Net cash used in investing activities	(6,683)	(64,129)
Change in cash, cash equivalents and net debt in the year	1,226,225	(437,055)
Cash, cash equivalents and net debt at 1 April 2022	236,839	673,894
Cash, cash equivalents and net debt at 31 March 2023	1,463,064	236,839

A Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net movement in funds per statement of financial activities	(197,335)	(348,667)
Adjustments for:		
Depreciation charge	26,180	33,252
(Increase) in debtors	(632,802)	(211,548)
Increase in creditors	2,036,865	154,037
Net cash generated/ (used in) operating activities	1,232,908	(372,926)

Notes to the financial statements 31 March 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

The charity is a Public Benefit Entity. The charity was established in 20 June 2011 and registered as a charity with the Charity Commission for England and Wales on 17 October 2011 (charity number: 1144297) and is a company limited by guarantee. Its registered office is 3rd Floor, Tower Point, 44 North Road, Brighton, East Sussex, BN1 1YR.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) and the Charities Act 2006.

The financial statements present the results for the Charity only and do not consolidate transactions and balances of its subsidiary, Bounce Back Project Limited as these are included within the financial statements of the ultimate parent charity Change Grow Live.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and senior management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation; and
- ◆ Estimating the likelihood of receipt of accrued income balances.

Assessment of going concern

Going concern

The trustees are confident that the charity will retain its current key training contract work through 2023/24 and, in the event of contracts not being renewed, the trustees have identified options to reduce the scale of activities. In addition, management anticipate continuing to accelerate partnership arrangements with third sector bodies to broaden the charity's portfolio of charitable activities.

Over the short-term the company is working towards a break-even budget in the period ahead but is reliant on the continued support of its parent, to ensure it has the resources to meet its commitments as they fall due and continue as a going concern.

Following confirmation of this continued support from Change Grow Live, the Trustees are satisfied there are no material uncertainties surrounding the charity's ability to continue as a going concern and the accounts have been prepared on that basis.

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations, legacies and income from charitable activities.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from charitable activities is recognised to the extent that it is probable that the economic benefits will flow to the charity and the income can be reliably measured. They are measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Gifts in kind

Gifts for onward distribution to beneficiaries of the charity are included at their fair value as at the time of distribution. Gifts are typically tools and other equipment used to train participants.

Assets donated to the charity for its own use are included in income and expenditure at their fair value as at the time of the gift.

Items donated to the charity for resale are included within income when sold and no value is placed on stock of such items at the year-end.

Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis and is classified as follows:

- ◆ Expenditure on generating funds include the salaries, direct costs and allocated support costs associated with generating fundraising income.
- ◆ Expenditure on charitable activities comprises expenditure on the charity's primary charitable purposes as described in the Trustees' report.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Tangible fixed assets

All assets with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

♦ Motor vehicles	25% p.a. on reducing balance
♦ Computer and office equipment	33% p.a. on cost

Investments

The charity's investment in its subsidiary company is valued at cost.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund accounting

Unrestricted funds comprise the general fund.

The general unrestricted fund comprises those monies which may be used towards meeting the charitable objectives of the Foundation at the discretion of the Trustees.

Fund accounting (continued)

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Pensions

Contributions in respect to defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

1 Income from donations and legacies

	2023 £	2022 £
Unrestricted		
Individual donations	-	835
Corporate donations	73,334	114,081
	73,334	114,916
Restricted		
Corporate donations	-	20,000
Trust and Foundation donations	-	37,570
	-	57,570
Total	73,334	172,486

2 Income from charitable activities

	2023 £	2022 £
Training and employability	3,387,332	2,714,775
	3,387,332	2,714,775

3 Expenditure on charitable activities

	Direct costs £	Support costs £	2023 Total £	Direct costs £	Support costs £	As restated 2022 Total £
Training and employability	3,067,402	551,246	3,618,648	2,294,659	874,113	3,168,772
Total	3,067,402	551,246	3,618,648	2,294,659	874,113	3,168,772

4 Expenditure on raising funds

	2023 £	2022 £
Direct costs:		
Fundraising costs	1,183	1,138
Salary costs	26,902	59,699
	28,085	60,837
Support costs (note 5)	11,268	17,482
Total expenditure on raising funds	39,353	78,319

Expenditure on raising funds was unrestricted for both the years.

5 Support and governance costs

Support costs

	Charitable activities £	Cost of raising funds £	2023 £
Staff costs	296,484	6,187	302,671
Freelancers	13,538	282	13,820
Property costs	116,692	2,435	119,127
Professional fees	15,544	324	15,868
Marketing	25,905	541	26,446
Office costs	25,580	534	26,114
Depreciation	25,645	535	26,180
Other administration costs	20,590	430	21,020
	539,978	11,268	551,246

	Charitable activities £	Cost of raising funds £	2022 £
Staff costs	284,078	5,798	289,876
Freelancers	148,193	3,024	151,217
Property costs	136,597	2,788	139,385
Professional fees	46,430	948	47,378
Marketing	44,390	906	45,296
Office costs	86,992	1,775	88,767
Depreciation	42,256	862	43,118
Other administration costs	67,695	1,381	69,076
	856,631	17,482	874,113

Governance costs included within professional fees

	Unrestricted	
	2023	2022
	£	£
Auditor's remuneration	12,634	14,899
Legal costs	-	10,470
Accountancy	-	-
	12,634	25,369

Governance costs incurred by the Charity are included as part of support costs.

No expenses were reimbursed to Trustees during the year ended 31 March 2023 (2022 - £nil to no Trustees).

No Trustees received any remuneration during the year ended 31 March 2023 (2022 - £nil)

The auditors' remuneration is borne by the parent company undertaking.

6 Staff costs

	2023	2022
	£	£
Wages, salaries	1,950,548	1,370,370
Social security	194,916	137,495
Pension costs	43,427	23,797
Recruitment costs	55,763	58,663
	2,244,654	1,590,325

The average number of employees during the year was 54 (2022 - 45).

The number of employees who earned over £60,000 per annum during the year was 1. (2022 - none)

Key management personnel

The key management personnel in charge of directing and controlling, running and operating the group's activities on a day-to-day basis comprise the Trustees together with the Executive Director and the Senior Leadership team. The total remuneration, which consisted of consultancy fees (and including taxable benefits and employers national insurance contributions) payable to the key management personnel during the year was £116,470 (2022 - £113,573).

7 Prior Year Adjustments

	2022 £
Opening reserves at 1 April 2022 (as previously stated)	(560,555)
Prior year adjustments	
a) Prepayment adjustment	26,343
b) Trade creditor adjustment	172,143
	<u>198,486</u>
Opening reserves at 1 April 2022 (restated)	<u>(362,069)</u>

In the prior year the Finance system migration resulted in the duplicate processing of a small number of transactions. The above adjustments correct the opening reserves as at 1 April 2022.

8 Tangible fixed assets

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2022	16,000	20,593	67,772	104,365
Additions in year	-	-	6,683	6,683
Disposals	-	-	-	-
At 31 March 2023	<u>16,000</u>	<u>20,593</u>	<u>74,455</u>	<u>111,048</u>
Depreciation				
At 1 April 2022	16,000	13,627	13,141	42,768
Charge in year	-	2,388	23,792	26,180
Depreciation on disposal	-	-	-	-
At 31 March 2023	<u>16,000</u>	<u>16,015</u>	<u>36,933</u>	<u>68,948</u>
Net book value				
At 31 March 2023	<u>-</u>	<u>4,578</u>	<u>37,522</u>	<u>42,100</u>
At 31 March 2022	<u>-</u>	<u>6,966</u>	<u>54,631</u>	<u>61,597</u>

9 Debtors

	2023 £	As restated 2022 £
Trade debtors	533,740	297,855
Amounts owed by group undertakings	372,444	46,939
Other debtors and prepayments	131,934	60,522
	1,038,118	405,316

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	66,507	137,455
Amounts owed to group undertakings	2,390,406	470,559
Other creditors and accruals	499,219	311,253
	2,956,132	919,267

11 Analysis of net assets between funds

	Tangible fixed assets and investment s £	Net current assets £	Balance at 31 March 2023 £
Unrestricted funds	42,200	(483,481)	(441,281)
Restricted funds	-	28,530	28,530
Total funds	42,200	(454,951)	(412,751)

	Tangible fixed assets and investment s £	Net current assets £	As restated balance at 31 March 2022 £
Unrestricted funds	61,697	(423,766)	(362,069)
Restricted funds	-	146,654	146,654
Total funds	61,697	(277,112)	(215,415)

12 Restricted funds

	Total funds brought forward at 1 April 2022 £	Incoming £	Expenditure £	Net incoming/ (expenditure) £	Total funds carried forward at 31 March 2023 £
Unrestricted funds	(362,069)	2,839,578	(2,918,790)	(79,212)	(441,281)
Restricted funds					
a. Gwyneth Forrester	20,664	-	(20,664)	(20,664)	-
b. Paddington Development Trust	9,654	-	(9,654)	(9,654)	-
c. The Rayne Foundation	17,505	-	(17,505)	(17,505)	-
d. Wates Foundation	9,800	-	-	-	9,800
e. Fireclad	9,763	-	(9,763)	(9,763)	-
f. Donations to support individuals entering employment	79,268	10,270	(70,808)	(60,539)	18,729
g. Ministry of Justice	-	662,798	(662,798)	-	-
Restricted funds	146,654	673,068	(791,192)	(118,124)	28,530
Total funds	(215,415)	3,512,646	(3,709,982)	(197,336)	(412,751)

a. Gwyneth Forrester

Funding to support 12 individuals who are homeless or at the risk of homelessness to provide employment skills and information and guidance.

b. Paddington Development Trust

Supporting adults in the local community with employment skills, information and guidance and work experience.

c. The Rayne Foundation

Funding towards a community training centre.

d. Wates Foundation

Funding to work with ex-offenders to gain level 2 qualifications and CSCS cards to secure future employment.

e. Fireclad

Introduction to dry lining and work experience with the intention of progressing to work placement for 12 participants.

f. Restricted Donations

Various grants and donations received for specific purposes to support the training and employability of ex-offenders.

g. Ministry of Justice

A project working with prison leavers who have served 12 months or less, aimed at reducing reoffending through culturally informed holistic rehabilitation interventions, including resettlement and employment support.

Notes to the financial statements 31 March 2023

	Total funds brought forward at 1 April 2021 £	Incoming resources £	Resources expended £	Net incoming resources £	As restated total funds carried forward at 31 March 2022 £
Unrestricted funds	35,864	2,461,262	(2,859,195)	(397,933)	(362,069)
Restricted funds					
h. Gwyneth Forrester	20,664	-	-	-	20,664
i. Paddington Development Trust	9,654	19,570	(19,570)	-	9,654
j. The Rayne Foundation	17,600	-	(95)	(95)	17,505
k. Wates Foundation	9,800	-	-	-	9,800
l. Fireclad	-	20,000	(10,237)	9,763	9,763
m. MOJ Prison Leavers	-	424,799	(424,799)	-	-
n. Donations to support individuals entering employment	39,670	68,000	(28,402)	39,598	79,268
Restricted funds	97,388	532,369	(483,103)	49,266	146,654
Total funds	133,252	2,993,631	(3,342,298)	(348,667)	(215,415)

13 Investments

Bounce Back Foundation owns 100% of the Ordinary Share Capital of Bounce Back Project Limited.

14 Ultimate Holding Company

The ultimate parent undertaking, from 29 July 2020, is Change Grow Live. Change Grow Live is a company limited by guarantee (registered number: 03861209) which is incorporate and registered in England. The address of the registered office is 3rd Floor, North West Suite, Tower Point, 44 North Road, Brighton, East Sussex, BN1 1YR.

The activity and purpose of Bounce Back Foundation aligns with the charitable objectives of Change Grow Live, centred on improving the lives of individuals and the communities in which they live.