



Yellow Ribbon Community Chaplaincy
Annual Report and Accounts
31 July 2020

Registered Office: Meeting Point House, Southwater, Telford TF3 4HS

Yellow Ribbon Community Chaplaincy

Annual Report and Accounts

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Yellow Ribbon Community Chaplaincy

Trustees' Report

Reference and Administrative Details

Charity Name: Yellow Ribbon Community Chaplaincy
Charity Number: 1168292 **Company Number:** 9639884
Principal Office: Meeting Point House, Southwater, Telford, TF3 4HS
Bankers The Co-operative bank, Delf House, Southway, Skelmersdale WN8 6WT

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees that served during the year as follows:

Mr P Bell (Chair)	Mrs Linda McCaughey (resigned 30 January 2020)
Rev T Bryan	Mrs Sheila Horton
Mr T Currie	Ms Tina Aldridge (resigned 8 July 2020)

Management Team

Mrs P Mack, CEO
 Mr A Partridge, Head of Operations (until 13 July 2020)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Yellow Ribbon Community Chaplaincy is a charitable company limited by guarantee and governed by its Memorandum and Articles of Association dated 17 April 2015. It is also registered as a charity with the Charity Commission. In the event of winding up, members' liabilities are limited to £1 each.

Appointment, Induction and Training of Trustees

Trustees are appointed by resolution of the existing trustees, Trustees are familiar with the practical work of the charity and attend information events to keep up-to-date. Any new trustees receive all relevant information relating to the charity and undergo induction covering decision making processes, key employees and future plans and objectives. They are also advised of their legal obligations as trustees.

Yellow Ribbon Community Chaplaincy

Trustees' Report

Organisation Structure

The trustees meet quarterly through the year and ad-hoc as events dictate. They receive Financial reports as well as regular updates on the charity's activities and fundraising. They are responsible for the overall legal, financial and strategic direction and development of the charity.

Day-to-day management, including finance, HR and operations, is the responsibility of the CEO. She is supported by other members of the management team, who meet weekly, and who take responsibility for the assets of the charity, the supported housing and fundraising.

Risks

The trustees review the charity's main risks on a regular basis. They are responsible for approving and overseeing the implementation of any changes to procedures, training or other actions to mitigate the risks the charity faces. A formal Risk Register will be established by the trustees in the next six months. All areas are RAG rated, with high priority areas separately reported.

Related Parties

There are no related party transactions.

Objectives and Activities

Yellow Ribbon Community Chaplaincy is a registered charity working in Shropshire and the Midlands for the public benefit to promote the health and wellbeing, education and relief of poverty of those persons who are in prison, those leaving prison, those at risk of offending and their families by providing resettlement and rehabilitation services including, but not limited to, the provision of mentoring, training, accommodation and support services.

Vision

Our Vision is to journey with people through the many obstacles they face into a sustainable future. And key to this transformation is building a trusted and valued relationship so their voice is heard. Focusing on the one is essential, as each of our clients is unique and needs support tailored to their needs

Mission

Our Mission is to support the resettlement of people being released from prison and prevent reoffending by acting as a bridge between the statutory sector and the community through mentoring and community development

Aims & Priorities

- 1) Somewhere safe and secure to live
- 2) Something meaningful to do
- 3) Someone to walk alongside

Yellow Ribbon Community Chaplaincy

Trustees' Report

Our five-year Strategic Plan 2019-2024 has 5 objectives which are:

Objective 1: Develop mentoring and befriending capability

Objective 2: Enhance employment pathway

Objective 3: Accommodation – improve access and quality

Objective 4: Strengthen the recovery journey.

Objective 5: Set up effective infrastructure

2020 OUTCOMES

Over the last year, we have worked with

- 79 people were directly helped through our supported living scheme
- Average length of stay remains 15 weeks
- 90 people were mentored
- 25 people engaged with the BBO employment support
- 25 people have volunteered in either the café, furniture and facilities project
- 4 people secured employment

Volunteers and Mentors

The charity is a mentoring organisation at its heart. In October 2013, the project piloted a mentoring approach to supporting those leaving prison who were returning to Shropshire. In March 2015, the charity was accredited with the Approved Provider Standard from the Mentoring and Befriending Foundation. This is an extract from the final report.

“The recommendation to approve the project for APS is given without reservation. Yellow Ribbon has internal mechanisms and procedures that demonstrate a commitment to robust organisation and a high standard of project working, along with strong inter-agency partnership and community networking. With the value 'everyone is unique', the project is set up to be supportive, responsive and flexible as needs arise, and with the in-built strength in the flow of communication between staff and volunteers, they actively seek to achieve their purpose and provide a quality service.”

From this foundation, the charity started developing its vision for the scaling up of this work across the region. This was encouraged by probation and prison resettlement teams. In the three years to 2018, the charity trained over 100 mentors. Encouraged by volunteers, a model of how this larger project might work which involved a hub co-ordination approach was put together. Some great case studies are available of where this approach has succeeded. Mentoring is most successful when the basic needs of the mentee are met. Mentees need somewhere safe to live and something meaningful to do with their lives. In April 2016, the charity was successful in its grant application to the Triangle Trust and has started a Furniture restoration and café project. This has provided many new opportunities for clients to volunteer in Shropshire with significant progress to people's lives as a result. Key responsibilities in the workshop, transport and shop have been held by client volunteers.

Yellow Ribbon Community Chaplaincy

Trustees' Report

Review of 2020

This last year has been one of significant growth. The charity achieved its outcomes in round 1 of the Building Better Opportunities Partnership in Shropshire and was invited onto round 2. This has funded a therapeutic approach to helping clients address life challenges, alongside employment support tailored to each person's goals. It continues to enable the development of the charity, building capacity and discipline.

The growth in housing was largely in Telford and to provide accessible support, the charity moved its base back to Meeting Point House in Southwater, where we took on a larger set of offices in the centre of the town.

Riverside was reopened as a café in January, but this fresh enterprise was hampered by firstly the floods and then the Covid lockdown restrictions. However, we benefited from a Covid grant and the reinvestment in the Riverside venue bore fruit as it provides a Covid safe environment for training using the café area for soft skills and upstairs for practical skills.

Last year we introduced a recovery model to our housing support. The move to the recovery model, enabled the stability needed to take on 2 further houses in Telford at the start of the year, providing a more homely and natural environment. We also took on several new flats in Wellington. However, this approach was hampered when lockdown brought vital adjustments to keeping people safely housed during the pandemic. This meant that we could not enforce drug and alcohol testing. However, our clients coped better than we expected through the restrictions.

Early in the year, we opened our first house in Walsall, West Midlands. This was enabled by the unrestricted funding successfully secured from Lloyds. It can take up to six months to set up in a new local authority. Together with the Shropshire increases, the number of bed spaces trebled from two years earlier to 36. This move into the West Midlands means we can offer people leaving prison, a much-needed resource.

The development of our comprehensive support is continuing to be shaped within our three priorities; somewhere safe and stable to live; something meaningful to do: someone to walk alongside you.

Due to the pandemic, there was less focus on direct work in prison. However, Yellow Ribbon are working with the National Probation Service and the Community Chaplaincy Association, our umbrella body to develop support for those engaging with chaplaincies in prison. Due to pilot work, faith is formally recognised as a protective characteristic for those leaving prison.

Yellow Ribbon Community Chaplaincy

Trustees' Report

Objectives 2019/20

Objective 1: Embed operating model integrating housing and employability stream.

Objective 2: Introduce peer support programme for drug and alcohol recovery in houses.

Objective 3: Embed tailored approach to employability.

Objective 4: Develop West Midlands Housing project

Objective 5: Set up effective infrastructure and strengthen sustainability.

Financial Review

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

In 2019/20 the charity had a total income of £363,415 and a total expenditure of £336,789. The stronger surplus is building the reserve to cover operational costs. In 2019/20, we maintained a tight control on expenditure and we will continue to do so in 2020/21. The charity is in its fifth year as an independent organisation. Following the Trustees decision to move back to Telford and provide a support base close to the growing housing provision, there has been significant growth. The Riverside base was retained and the café was re-opened in February just prior to the pandemic restrictions. However, this enabled business grants to be received. Together this resulted in a stronger financial base. Two new houses and four flats were taken on in Telford and one house and flat in Walsall as a result income has increased. In 2020/21, the budgeted income and expenditure is expected to grow as the housing scheme grows in Telford and branches out to Stafford as well as Walsall. It is projected to end with an increased surplus. No adverse movement has occurred in the period to date to cause us to alter that projection. The virus control measures, whilst having an impact on the way the charity has operated, have not adversely affected the charity's finances.

Reserves Policy

The trustees would like to increase its liquid reserves to beyond the 3 months of operating costs which we have now reached.

The level set recognises salaries as the major areas of expenditure and takes account of the fact that vulnerable people are dependent on the services supplied, and the charity is dependent in part on voluntary gifts and donations.

Public Benefit

The trustees consider that they have complied with the duty to have due regard to public benefit guidance published by the Commission

Yellow Ribbon Community Chaplaincy

Trustees' Report

Trustees' Responsibilities in Relation to the Financial Statements

The charity trustees (who are also the directors of Yellow Ribbon Community Chaplaincy for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statement on the going concern basis unless it is inappropriate to presume that the charity 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to the Independent Examiner

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the independent examiner in connection with preparing their report, of which the charity's independent examiner is unaware, and
- the trustees, having made enquiries of fellow directors and the group's independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant information and to establish that the charity's independent examiner is aware of that information.

Independent Examiner

The trustees have agreed to appoint Lyn Towers as the charity's independent examiner during this fourth year, when its income falls below the audit threshold of £1m for charities and its assets are below £3.26m.

This report has been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by

Yellow Ribbon Community Chaplaincy

Trustees' Report

Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

Approved by the board on 20th April 2020 and signed on its behalf

Tom Currie

Tom Currie

Chairman

Independent Examiner's Report to the Trustees of Yellow Ribbon Community Chaplaincy

I report on the accounts of the charity for the year ended 31 July 2020 which are set out on pages 10 to 17.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. While, the charity's gross income did not exceed £250,000, I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act
- to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006 and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Name: Lyn Towers

Relevant professional qualification or body: FCCA

Address: Lily Court, Lighteach Road, Prees, Whitchurch SY13 2DR

Date: 22nd April 2021

Yellow Ribbon Community Chaplaincy

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 JULY 2020

		Continuing		Y/E	
	Notes	Activities Unrestricted Fund £	Activities Restricted Funds £	31/07/2020	31/07/2019
					£
Income from:					
Grants and donations	11	34,141		34,141	21,901
Income from charitable activities					
Housing benefit		256,026		256,026	121,479
Rental income & residential charges		7,033		7,033	250
Employment support			63,201	63,201	57,273
Café & furniture		3,014		3,014	19,181
Total income		300,214	63,201	363,415	220,084
Expenditure on:					
Raising funds					
Costs of generating grants and donations	3				
Charitable activities					
Supported housing programme	2	(254,275)		(254,275)	(102,477)
Café & Furniture	2	(10,919)		(10,919)	(50,360)
Employment support	2		(55,701)	(55,701)	(55,917)
Other costs	4	(15,173)	(721)	(15,894)	(10,070)
Total expenditure	5	(280,367)	(56,422)	(336,789)	(218,824)
Net income/ (expenditure)		19,847	6,779	26,626	1,260
Transfers between funds		6,779	(6,779)		
Net movements in funds		26,626		26,626	1,260
Reconciliation of funds					
Total funds brought forward		23,877		23,877	22,388
Prior year adjustment					229
Current year surplus		26,626		26,626	1,260
Total funds carried forward		50,503	nil	50,503	23,877

The statement of financial activities includes all gains and losses in the year

Company number: 9639884

Yellow Ribbon Community Chaplaincy

BALANCE SHEET

AS AT 31 July 2020

	Notes	Y/E 31/07/2020 £	Y/E 31/07/2019 £
Fixed assets			
Tangible assets	7	8,460	6,459
Current assets			
Prepayments and accrued income		8,223	14,757
Cash at bank and in hand		76,519	26,074
		<u>84,742</u>	<u>40,831</u>
Liabilities			
Creditors - amounts falling due less than one year:			
Deferred income		(33,000)	(17,200)
Other creditors and accruals		(9,699)	(6,213)
		<u>(42,699)</u>	<u>(23,413)</u>
Net current assets		<u>42,043</u>	<u>17,418</u>
Total assets less current liabilities		<u>50,503</u>	<u>23,877</u>
Net assets		<u>50,503</u>	<u>23,877</u>
The funds of the charity:			
Restricted income funds	9		
Unrestricted funds	8	50,503	23,877
		<u>50,503</u>	<u>23,877</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities relating to smaller entities.

These accounts were approved by the directors on 22 April 2021 and signed on their behalf

Tom Currie

Mr T Currie

Director

Notes 1 to 14 form part of these accounts

Yellow Ribbon Community Chaplaincy

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention and Companies Act 2006. In preparing the accounts the charitable company has followed best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRSSE SORP) published on 16/7/14 and The Financial Reporting Standard for Smaller Entities (effective January 2015).

Incoming resources

Donations, legacies, grants etc are accounted for when due to the charity, where applicable, with their associated tax recoverable element. No income is recorded net of any expenses except where these are beyond the control or knowledge of the trustees.

Depreciation

Tangible fixed assets costing more than £100 are capitalised and carried at cost. Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives at the following rates:

Furniture & Fittings	25% straight line
Leasehold improvements	50% straight line

The fixed assets are used in direct furtherance of the charity's objects.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Housing and other benefits

Housing benefits are accounted for when there are receivable by the charity to the extent that they are expected to be recoverable

Costs apportionment

Costs have been apportioned between the different activities of the charity where they are separately identifiable or based on an estimate of time allocated to each activity for staff costs.

The charity is not VAT registered and all irrecoverable VAT is included in the category to which the cost relates.

Grants

Revenue based grants are recognised in the year they are received and written off to the P&L account as and when the relevant expenditure has been incurred.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

2 CHARITABLE EXPENDITURE

Analysed by activity	Activities undertaken directly			Y/E 31 July	
	Unrestricted	Restricted	Support	2020	2019
	Funds	Funds	Costs		
	£	£	Note 4	£	£
Supported housing programme	254,275		15,173	269,448	111,772
Café and Furniture	10,919			10,919	50,360
Employment support		55,701	721	56,422	56,692
	<u>265,194</u>	<u>55,701</u>	<u>15,894</u>	<u>336,789</u>	<u>218,824</u>

3 FUNDRAISING

The fundraising costs for the charity were met out of the time spent by the CEO.

4 SUPPORT COSTS

	Governance costs	Charitable Activities	Fundraising Costs	Y/E 31 July	
	£	£	£	2020	2019
				£	£
Legal, professional and consultancy costs		2,444		2,444	1,143
Office		435		435	
Printing, post, stationery and phone		1,740		1,749	1,011
Rent & depreciation office equipment		7,424		7,424	4,583
Insurance		2,541		2,541	2,064
IT software		1,157		1,157	1,041
Bank charges and interest		153		153	228
		<u>15,894</u>		<u>15,894</u>	<u>10,070</u>

Yellow Ribbon Community Chaplaincy

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

5	TOTAL RESOURCES EXPENDED	Staff costs	Premises Expenses	Other costs	Y/E July 2020	2019
		£	£	£	£	£
	Supported housing programme	90,609	146,208	17,458	254,275	102,477
	Café & Furniture	3,059	1,942	5,918	10,919	50,360
	Employment support	53,791	605	1,305	55,701	55,917
	Support & governance		6,703	9,191	15,894	10,070
		147,459	155,458	33,872	336,789	218,824

6	STAFF COSTS	Y/E 2020	31 July 2019
		£	£
	Salaries	147,459	104,050
		147,459	104,050

During the year no employee earned more than £60,000 pa. The average monthly number of employees was ten.

The charity operates a NEST pension scheme and makes payments on behalf of employees.

Trustee insurance is obtained as part of the main insurance policy.

No trustee received reimbursed expenses or emoluments during the year.

Fundraising is undertaken by the CEO and one of the Trustees.

Yellow Ribbon Community Chaplaincy

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

7 TANGIBLE FIXED ASSETS

	Furniture & Fittings	Leasehold Improvements	Total
Cost	£	£	£
At 1 August 2019	12,448	9,483	21,931
Additions	6,118		6,118
At 31 July 2020	<u>18,566</u>	<u>9,483</u>	<u>28,049</u>
Depreciation			
At 1 August 2019	5,989	9,483	15,472
Additions	4,117		4,117
At 31 July 2020	<u>10,106</u>	<u>9,483</u>	<u>19,589</u>
Net Book Value			
At 31 July 2019	<u>£6,459</u>	<u>£nil</u>	<u>£6,459</u>
At 31 July 2020	<u>£8,460</u>	<u>£nil</u>	<u>£8,460</u>

8 UNRESTRICTED FUNDS	Opening	Incoming	Outgoing	Transfers	Closing
	£	£	£	£	£
General Fund					
Income Fund	<u>6,877</u>	300,214	(280,367)	6,779	33,503
		<u>300,214</u>	<u>(280,367)</u>	<u>6,779</u>	<u>33,503</u>
Designated Fund					
Operational reserve	15,000				15,000
Property repair fund	<u>2,000</u>				2,000
	<u>17,000</u>				<u>17,000</u>
Name of Designated Fund	Purpose of Fund				
Property repair fund	Dilapidations at end of lease				
Operational reserve	This provides a reserve of at least 2 months operating costs				

Yellow Ribbon Community Chaplaincy

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2020

9	RESTRICTED FUNDS	Opening	Incoming £	Outgoing £	Transfers £	Closing £
	Furniture project	0				-
	Employment support		63,201	(56,422)	(6,779)	0
10	ANALYSIS OF NET ASSETS BETWEEN FUNDS		General Funds £	Restricted Funds £	Y/E 31 July 2020 £ 2019 £	
	Tangible fixed assets		8,460		8,460	6,459
	Cash at bank		76,519		76,519	26,074
	Other net current liabilities		(34,476)		(34,476)	(8,656)
			50,503		50,503	23,877

11 GRANT INCOME

The following grants of £2,000 and above were recognised from companies and charitable trusts:

	Y/E 31 July	
	2020 £	2019 £
Community Grant	5,914	
Shropshire Council – Covid grant	10,000	
Lloyds Foundation Bank	17,000	16,000
Lichfield Diocese		2,800
Grants below £2,000 and donations from individuals and churches	1,227	3,101
Total grants, donations and other similar income received through fundraising	34,141	21,901

Yellow Ribbon Community Chaplaincy

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2020

12 OPERATING LEASE COMMITMENTS

The four Telford properties are leased from local landlords on a year's lease. The two Shrewsbury properties are leased from Green Pastures one is on a medium-term lease with an annual cost of £11,160 and the other is coming to the end of its medium-term lease.

The café and furniture workshop are leased from Shropshire Council and due to challenging trading Conditions is available at nil rent until the mall is redeveloped. The office at Meeting Point House is a quarterly rent.

	Y/E 31 July	
	2020	2019
	£	£
Land and buildings - annual lease commitments		
In less than one year	145,596	33,000
Two to five years	11,160	21,060
	<u>156,756</u>	<u>54,060</u>

13 LIMITED BY GUARANTEE

The charitable company's legal structure is that of a company limited by guarantee. In the event of the company winding-up each member is liable to any deficit to a maximum of £1 per member.

14 RELATED PARTY TRANSACTIONS

There were no related party transactions.