

Charity registration number: 1169108

Reach Community Projects (CIO)

Annual Report and Financial Statements

for the Year Ended 30 September 2022

Reach Community Projects (CIO)

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Reach Community Projects (CIO)

Reference and Administrative Details

Trustees	Roy Graham
	Alison Chorley
	Gavin Rowden
	David Howell
	Claire Darracott
Senior Management / Leadership Team	Henry Wilson MBE
	Annetta Record
	Justine Cammiss-Strudwick
Charity Registration Number	1169108
Independent Examiner	Burdett King Accountancy Limited
	8 The Hamiltons
	Newmarket
	Suffolk
	CB8 0NF

Reach Community Projects (CIO)

Trustees' Report

REACH Community Projects (CIO)

Trustee's Report

The trustees present the annual report together with the financial statements of the charity for the year ended 30 September 2022.

Trustees

Roy Graham

Alison Chorley

Gavin Rowden

David Howell

Claire Darracott

Objectives

Haverhill is an area of great need, characterised by high levels of social deprivation, debt and low income. At REACH we believe that everyone deserves to live their lives to the full. However, poverty has a devastating effect on individual and family life. Debt, low income and homelessness can lead to mental health problems, relationship breakdown, low aspiration, marginalisation, poor health and low self-esteem.

REACH is an independent charity that believes in a relational handholding approach to helping families and individuals who are suffering from or struggling with the effects of financial crisis or hardship. This includes debt advice, benefit help, housing, emergency food and utility assistance and more.

We work with many partners to deliver life transforming financial support to local communities from our bases in Haverhill and Newmarket. Our partners include The Trussell Trust, Community Money Advice, Acts 435 and many more.

We long to see thriving families and individuals living their lives to the full. To this end, we journey with the people we are supporting, for however long it takes, to bring a solution to their current crisis and hardship.

Alongside our practical handholding support, we also use our experience, data and research to feed into the bigger picture both locally and nationally to challenge some of the unfair structures that keep people trapped in poverty

Our key values are:

- **Relationships** –We value a relational approach that builds trust and makes all the difference. It empowers a person to start believing in themselves and achieve their desired outcome.
- **Generosity** –We always believe in being generous first and foremost.
- **Responsibility** –Alongside generosity there has to be responsibility. We believe in being responsible with the resources entrusted to us. As much as we walk with a person, we recognise that we cannot do it all and people must be helped to take responsibility for their lives.
- **A 'can-do' attitude** –We will work tirelessly to resolve the person's situation but, if we can't do it, we generally know someone who can.
- **Honesty** –Just as we need the people that we are helping to be honest with us, we too need to be honest about what we can realistically do to help them.

Structure, governance and management

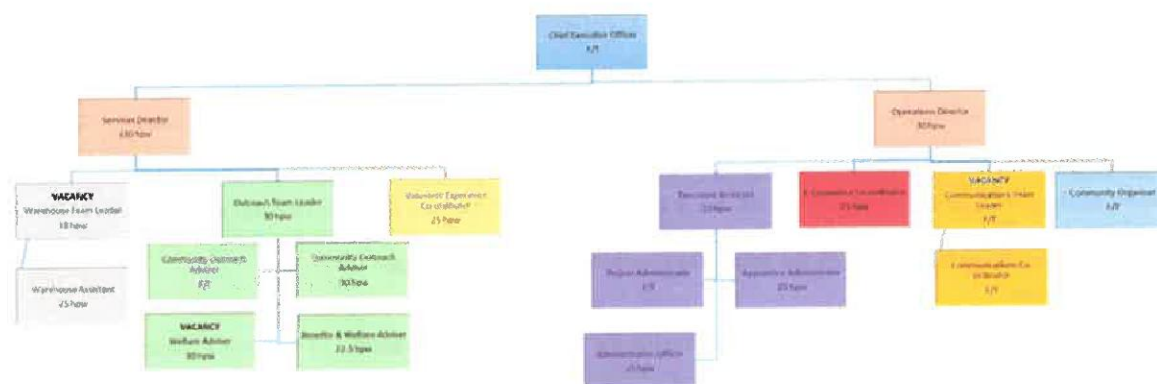
Nature of governing document

As a Charitable Incorporated Organisation (CIO) we have a Board of Trustees which meets on a regular basis. The board oversees and reviews the running of the charity including carefully monitoring our funding and our impact on the local community. New trustees are appointed based on the skills that they will bring to the trustee group.

Reach Community Projects (CIO)

Trustees' Report (continued)

Organisational structure



We have 16 members of staff and 3 vacancies. In the last year we have had a team reorganisation and have set up an executive team with the CEO, Services Director and Operations Director. This team is supported by the Executive Assistant (who also manages the Administration Team). To plug the gap left by the Admin Team Leader, we have taken on an additional Administration Officer.

In November 2021, one of our Outreach Advisors took on the expanding debt and benefits work in Newmarket. Therefore, we took on an additional advisor to bolster the team, especially with the deterioration of the economic situation.

In January, we also took on a Volunteer Experience Coordinator, and a Community Organiser. The latter is a 3-year project in partnership and fully funded by the Trussell Trust.

We also took advantage of the opportunity to take on 2 young people through the Government's KickStart Programme, 1 young person in the warehouse as a Warehouse Assistant and the other in the Admin Team. The latter has now joined as an Apprentice Administrator, whilst the other person continues in the warehouse.

Unfortunately, our Foodbank Manager resigned in January. We secured a temporary manager until August whilst they prepared to emigrate. We are currently recruiting for a new permanent manager.

At the end of September our regular volunteer numbers grew to 72. This increase from around 50 the previous year is much down to the investment of a dedicated person to work with and champion our incredible team of volunteers!

Our volunteers help with all aspects of the charity, from administration to the Foodbank, to Resource Centre Advisors (now known as 'Hub Volunteers'). We have seen an increase in young people volunteering with us for their Duke of Edinburgh Award and the return of companies, uniformed groups and schools carrying out work experience. We continue to work with a number of volunteers who require additional support, this includes partnerships with Horace Eve house (Mencap), and Broadlands Hall School.

Operations

Since the pandemic, we have adapted our approach to client facing work. The majority of our first contact now comes directly into the office, upwards of 80%. Therefore, we have set up a triage system that is staffed by volunteers and overseen by the outreach team.

Emergency aid requests such as food and client aid. Clients are simply interviewed over the phone before being directed to the Resource Centre or 'hubs' to collect their emergency aid. Anything more complex or needing further investigation will be followed up by a member of the Outreach Team either at the hub or a home visit.

Despite this new approach, we remain committed to getting to the root of the problem and ultimately, lift our clients out of hardship. We continue to case note all our client interactions and our visits.

Reach Community Projects (CIO)

Trustees' Report (continued)

Since the pandemic we also began to notice that the demographic of those coming to us for help was changing. Haverhill rapidly expanded since 2020 and the Resource Centre for some, began to be a barrier to accessing help. Therefore, we began to explore the purpose of the centre and whether it was still needed. We did this through consultation with clients, volunteers and stakeholders. We also began to pilot food collection hubs in other locations across the town.

As of the end of September, we are operating from the Chalkstone Community Centre on Monday and Wednesdays, Next Door Coffee Shop on a Thursday and the Resource Centre Tuesday and Fridays. These are mostly staffed by volunteers, but we do have a member of the outreach team available to deal with any complex cases that do just drop in. This is quite time consuming for our debt trained outreach advisors and prevents them from dealing with debt clients. Therefore, we are recruiting for a Welfare Advisor (emergency aid, benefit forms and anything that isn't debt) to be available at the hubs to release debt advisors to focus more on the debt work. We are anticipating handing back the Resource Centre in the following year.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

A Note from the Chief Executive Officer

2021/2022 was a year when we began to recover from the pandemic. Restrictions were mostly lifted, despite the best efforts of anti-poverty charities, the so-called Universal Credit 'top-up' came to an end in early October. As predicted, foodbank charities saw a vast increase in need, and this included us.

We also began to prepare for what the experts were calling the 'Cost of Living Crisis'. Gas and electricity prices began to sky-rocket and our families were beginning to be very fearful.

However, it wasn't just the foodbank where we saw record numbers, as anticipated, we are sad to report that we have never supported so many families with financial hardship and crisis. In total we supported 2700 people (see more details below).

In summary - Along with dealing with an ever-increasing case load, we have been preparing for the long anticipated financial fallout in the wake of the pandemic. It has also been a year where we have expanded our team, expanded our geographical area, our services, including the introduction of a self-help page to our website, and greater use of technology and our casework software. This includes the introduction of a tool to measure financial gain part way through the year.

Highlights include:

- £322,000 of financial gains for 177 families (see Overall Numbers)
- 18 families set free from the misery of debt (see Overall Numbers)
- The launch of a new project in Newmarket
- The launching of a Community Organising project in partnership with the Trussell Trust
- The appointment of a Volunteer Experience Coordinator who has more than doubled the number of regular visitors
- Greater strategic focus after becoming a Pathfinder Foodbank

Reach Community Projects (CIO)

Trustees' Report (continued)

Overall Numbers:

- 1,384 families were helped with 1,758 issues. This includes 974 issues regarding emergency food requests. There were 2,701 beneficiaries with 1,037 of these children
- More than double the number of families helped with debt than the previous year
- 88 families helped with debt, (up from 30 families for the previous year) 172 beneficiaries
- 20% of all these families helped with debt have become debt free with another 20% with debt payment plans in place and many more on their way
- In the 12 months to the end of August 2022 we achieved financial gains of just over £322,000 for 177 of our families! This includes the 18 families that have been set free from debt and a further 32 families received benefits, and, for some, they had not received the benefit before.
- Total number of people helped with welfare, (benefit, housing, client aid etc.) are 622
- Sadly, we fed record numbers of people through the foodbank project - 2,005. This breaches a milestone that we hoped we would never reach, though not as bad as we feared! It is an increase of 26.7% in the numbers of people fed, and a 24% increase in the numbers of children fed compared to last year. In total, 955 food boxes were given out, 1,281 adults fed and 724 children

The launch of a new project in Newmarket: Following a successful pilot from November 2020 to early 2021, we secured additional funding to launch a debt and welfare project in the neighbouring town of Newmarket. This is in partnership with Newmarket Open Door who run a foodbank and the Voluntary Network who are hosting us. Diana, who joined us in September, is making a big impact helping families 3 days per week from our Newmarket office.

- 69 families helped with 83 issues. This includes 24 issues of debt, 17 with benefits and 16 with client aid. There were 112 beneficiaries, including 32 children.

In addition, we continue a partnership working with a satellite project in Sudbury - they carry out all their face-to-face debt work whereas we supply the back-office work and general welfare and benefits advice. We are beginning to develop partnerships and are starting to help families with debt and welfare in Saffron Walden and Halstead in North Essex. We are also receiving referrals for families in Bury St Edmunds from family support workers who we are working with in West Suffolk.

The launching of a Community Organising Project: We also seized on an opportunity provided to us by our partners, the Trussell Trust and launched a Community Organising project. Amongst other things, Saffron has spent her time speaking to our families, the stakeholders and the general public to better understand the drivers of poverty locally with a view to campaign and influence change wherever we can. This has included market stalls, client forums and surveys. The additional community engagement and the data research has provided has been so invaluable in seeing trends and project development.

Key achievements:

- Basic life skills such as budgeting and cooking identified as a gap in society (along with low income) we are exploring a partnership with the Haverhill Community Kitchen. Money management has already commenced in one senior school and we are in conversation about offering this into a second senior school in Haverhill (more than 100 students received basic money management skills in July).
- Free school meal provision during school holidays has a positive impact on the number of children needing food help (though giving all 6 weeks money in one go has a detrimental impact!) Suffolk County Council have extended the FSM provision during school holidays until 31st March 2023.
- Our Community Organiser (Saffron) was appointed as Co-Chair of SCC's Tackling Poverty Partnership group

The appointment of a Volunteer Experience Coordinator: Following a difficult summer in 2021 in terms of volunteer management, we secured some additional funding and recruited a Volunteer Experience Coordinator. Elaine, an experienced volunteer manager, has encouraged the existing volunteer team and grown our team from 28 to 72 since February!

Greater strategic focus after becoming a Pathfinder Foodbank: We were selected to become a Trussell Trust Pathfinder Foodbank and have been working with a strategic coach/mentor since January that has led to the fine tuning of our strategy. It has given us clearer focus; we've become more intentional with measurable targets which are ambitious, but achievable. This has, and continues to be, a real stretch for us, but it has helped us stay on track with our vision and strategy, as well as highlighted fresh opportunities.

Reach Community Projects (CIO)

Trustees' Report (continued)

Relationships with Partner Organisations: We have continued to strengthen our relationships with new partner organisations. These include Turning Point, Unity Partnership (social prescribing), Community Action Suffolk (Haverhill South) and many more. We are also in the early stages of developing a project with Suffolk Mind and West Suffolk Citizen's Advice.

The challenges and how we overcame:

- The year got off to a very challenging start, not only did we lose our Foodbank Manager with long term sickness, but we also had to relocate the foodbank warehouse in November! It was a baptism of fire for our new Warehouse Assistant who did an excellent job of holding things together before we secured the services of a temporary Foodbank Manager from January to July. Despite the upheaval, there was no break in service, with December being a record month, especially in terms of children.
- We saw an explosion in welfare work; the case may present itself as a simple transaction - like completing a bus pass application (like Veronica's story below) but we soon find many complex layers to unpeel before you can really get to the root of the problem. This coupled with a benefits advisor out of action with a broken arm February/March, and another advisor sick, the team were very stretched at times. This had a detrimental impact in the numbers of debt cases that the team were able to handle. In preparation for the expected explosion in debt, we appointed an additional COA in April. In addition, when a debt trained outreach advisor left, we reviewed our staffing needs and instead of a straight replacement, we decided to recruit for a Welfare Advisor.

Our finances: Our provisional figures for the y/e 30th September; income - £461,926 (up from £396,000 last year). This was higher than anticipated due to the investment from the Trussell Trust into our Community Organising project. Expenditure was around £433,140. We are pleased to see that our income from individuals has risen by 1% to 26%. This equates to a £19,000 increase. We have begun a HNW1 programme, it is very much in its infancy but proving fruitful. We are also pleased to report that there has been a further reduction in our grant funding reliance, now at 59% of our income (down from 62% the previous year).

Veronica's* Story

On the surface, Veronica generally seemed fine. But when REACH Community Outreach Advisor Tracey visited her at her home, she discovered Veronica's living conditions were shocking. However, it meant that we were able to get her the help she really needed.

"When Veronica first dropped in at the Resource Centre, she wanted our help to apply for a bus pass as she had just become a pensioner. She was presentable and personable and walked with the aid of a stick. Nothing about her gave away any deeper need.

"She came by to ask for help with a few other things, her requests written on little bits of paper. But something didn't add up, so I suggested I pay her a visit at home.

"From the outside, the house looked very ordinary. But when I went inside, the smell hit me.

"Veronica couldn't get upstairs to the only bathroom and toilet. She was having to strip wash in the kitchen sink and use a commode downstairs. A kind friend would come to empty the commode but when they weren't around, Veronica had to wait.

"Veronica also had a dog but because she couldn't walk him, she lets him out in the back garden. You can imagine the mess out there. Sometimes he toileted in the house.

"Occupational Therapy had already visited and reported Veronica's living conditions to the Housing Team. But when I rang the Housing Team, they still had her categorised as low priority. They have now made her a top priority and are trying to find a bungalow for her and her dog. They are also organising a carer to visit daily.

"Veronica had been on Universal Credit and Housing Benefit and thought that, once she reached pensionable age, things would swap over automatically. She hadn't realised she needed to apply to get her pension and reapply for Housing Benefit. I helped her and she has now received £1900 in Housing Benefit, enough to pay off the rent arrears she had, which is a big relief to her. We've also applied for a reduction in Council Tax which will help her modest income to go further.

Reach Community Projects (CIO)

Trustees' Report (continued)

"I've also applied for Attendance Allowance which will help Veronica pay for her care, someone to walk her dog and clean up the garden. Recently, when her beloved dog needed a vet, Veronica stopped eating – it was the only way she could afford his treatment. He means the world to her, especially as she has no family or social network. I quite understand she doesn't want to give him up, so we're seeing if another charity will help with his vet bills.

"As too often is the case with isolated people, Veronica fell through the statutory safety nets that should have been there for her. This is why REACH has such a vital role to play – we can give clients the time and space that statutory services can't. What would have happened to Veronica, had we not been there for her? I'm just so glad that she came to REACH for help."

Special Thanks: We are indebted to all those who have assisted us in our mission to lift families out of financial crisis and hardship. Thank you to our many volunteers who give their time on a regular basis. Thank you too to our partners, these include Trussell Trust, West Suffolk Council, South Cambridgeshire District Council, Suffolk Community Foundation, Haverhill Town Council, Cambridgeshire Community Foundation, Mrs LD Rope, Beatrice Laing, Postcode Places Trust, Suffolk County Council, Garfield Weston, Essex Community Foundation, AllChurches Trust, Denbury Charitable Fund, Mrs Smith & Mount Trust and of course those that wish to remain anonymous. There are many more individual donors, businesses, community groups, churches and schools who have all contributed to make 2021-22 a much easier task than we could ever have imagined! Thank you

Henry Wilson MBE

Chief Executive Officer

Plans for future periods

The next 12 months include (alongside increased debt, welfare and food needs):

- Strengthen and develop a volunteer led income maximisation team
- Develop an effective evaluation process to gauge client's emotional well-being
- Recruit specialist volunteers to carry out more in depth data analysis and research
- Set up agreements with potential trusted partners to include data sharing
- Develop a debt and welfare project in North Essex
- Expand our mobile hub service into other locations in Haverhill and beyond
- Develop life skills with partners to reduce the need for our emergency aid and debt support
- Continue to work with partners on identifying gaps in service provision

Financial review

Policy of reserves

Reserves are that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. Reach maintains free unrestricted reserves:

- To provide a level of working capital that protects the continuity of its core work
- To provide a level of funding for unexpected opportunities
- To provide cover for risks such as unforeseen expenditure or unanticipated loss of income.

We endeavour to maintain 3 months of staffing and running costs.

The board of trustees will review the above criteria with reference to Reach's strategy and Annual Plan and determine the target level of free reserves to meet these.

The board of trustees will at times designate funds from free reserves for significant project costs or replacement of major assets.

The accounts set out on the following pages reflect the activities of the charity.

The annual report was approved by the trustees of the charity on 24/08/2023 and signed on its behalf by:

.....
Roy Graham
Chairman and Trustee

Reach Community Projects (CIO)

Trustees' Report (continued)

Statement of Trustees' Responsibilities

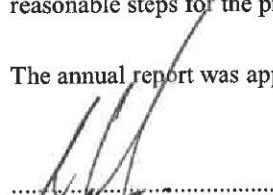
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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; and
- prepare the financial statements 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 enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on 24/08/23 and signed on its behalf by:



Roy Graham
Chairman and trustee

Reach Community Projects (CIO)

Independent Examiner's Report to the trustees of Reach Community Projects (CIO)

I report to the trustees on my examination of the accounts of Reach Community Projects (CIO) for the year ended 30 September 2022.

Responsibilities and basis of report

As the charity trustees of Reach Community Projects (CIO) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Reach Community Projects (CIO)'s accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

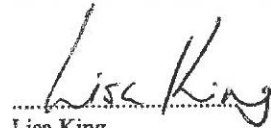
Independent examiner's statement

Since Reach Community Projects (CIO)'s gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Chartered Certified Accountant, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Reach Community Projects (CIO) as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Lisa King
Chartered Certified Accountant

8 The Hamiltons
Newmarket
Suffolk
CB8 0NF

Date: 28 July 2023

Reach Community Projects (CIO)
(Registration number: 1169108)
Balance Sheet as at 30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	3,063	3,415
Current assets			
Debtors	10	5,109	4,034
Cash at bank and in hand	11	<u>173,699</u>	<u>180,816</u>
		178,808	184,850
Creditors: Amounts falling due within one year	12	<u>(10,264)</u>	<u>(9,968)</u>
Net current assets		<u>168,544</u>	<u>174,882</u>
Total assets less current liabilities		171,607	178,297
Creditors: Amounts falling due after more than one year	13	<u>(85,259)</u>	<u>-</u>
Net assets		<u><u>86,348</u></u>	<u><u>178,297</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds		72,748	102,080
Unrestricted income funds			
Unrestricted funds		<u>13,600</u>	<u>76,217</u>
Total funds	15	<u><u>86,348</u></u>	<u><u>178,297</u></u>

The financial statements on pages 10 to 22 were approved by the trustees, and authorised for issue on ~~24/08/22~~ **24/08/23** and signed on their behalf by:

.....
 Roy Graham
 Chairman and trustee

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Reach Community Projects (CIO) meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if they do not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	15,183	6,203	21,386
Legacies	61,435	12,982	74,417
Gift aid reclaimed	-	1,003	1,003
Grants, including capital grants;			
Grants from other charities	54,955	190,968	245,923
Regular giving and capital donations	31,075	7,894	38,969
Total for 2022	162,648	219,050	381,698
Total for 2021	85,360	311,034	396,394

3 Investment income

	Restricted funds £	Total funds £
Interest receivable and similar income;		
Interest receivable on bank deposits	1	1
Total for 2022	1	1
Total for 2021	1	1

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

4 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	600	600
Total for 2022	600	600
Total for 2021	600	600

5 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

6 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	281,896	179,637
Social security costs	14,853	8,164
Pension costs	7,133	5,003
Other staff costs	8,565	5,146
	<u>312,447</u>	<u>197,950</u>

16 (2021 - 11) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £7,133 (2021 - £5,003).

No employee received emoluments of more than £60,000 during the year

7 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	<u>600</u>	<u>600</u>

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

9 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 October 2021	26,216	26,216
At 30 September 2022	26,216	26,216
Depreciation		
At 1 October 2021	22,801	22,801
Charge for the year	352	352
At 30 September 2022	23,153	23,153
Net book value		
At 30 September 2022	3,063	3,063
At 30 September 2021	3,415	3,415

10 Debtors

	2022 £	2021 £
Prepayments	1	-
Other debtors	5,108	4,034
	5,109	4,034

11 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	456	(174)
Cash at bank	173,243	180,990
	173,699	180,816

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,878	4,538
Other taxation and social security	7,186	4,829
Other creditors	-	1
Accruals	1,200	600
	<u>10,264</u>	<u>9,968</u>

13 Creditors: amounts falling due after one year

	2022 £
Deferred income	<u>85,259</u>

Deferred income refers to grant income received in the year that has been carried forward to the following year.

14 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £7,133 (2021 - £5,003).

15 Funds

	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 September 2022 £
Unrestricted funds					
General	76,220	162,648	(191,301)	(33,967)	13,600
Restricted funds	<u>102,078</u>	<u>219,141</u>	<u>(282,438)</u>	<u>33,967</u>	<u>72,748</u>
Total funds	<u>178,298</u>	<u>381,789</u>	<u>(473,739)</u>	<u>-</u>	<u>86,348</u>

Reach Community Projects (CIO)

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 September 2022 £
Unrestricted					
<i>General</i>					
Reach	67,818	162,648	(191,301)	(33,967)	5,198
Social Enterprise	8,402	-	-	-	8,402
	<u>76,220</u>	<u>162,648</u>	<u>(191,301)</u>	<u>(33,967)</u>	<u>13,600</u>
Restricted					
Foodbank	28,695	27,484	(90,146)	33,967	-
Reach into the Community	70,123	150,087	(160,492)	-	59,718
Client Aid	3,260	41,570	(31,800)	-	13,030
	<u>102,078</u>	<u>219,141</u>	<u>(282,438)</u>	<u>33,967</u>	<u>72,748</u>
Total funds	<u>178,298</u>	<u>381,789</u>	<u>(473,739)</u>	<u>-</u>	<u>86,348</u>
					Balance at 30 September 2021 £
Unrestricted funds					
General	69,260	85,360	(49,919)	(28,484)	76,217
Other unrestricted funds	<u>(12,363)</u>	<u>-</u>	<u>-</u>	<u>12,363</u>	<u>-</u>
Total unrestricted funds	<u>56,897</u>	<u>85,360</u>	<u>(49,919)</u>	<u>(16,121)</u>	<u>76,217</u>
Restricted funds	<u>77,623</u>	<u>311,035</u>	<u>(302,699)</u>	<u>16,121</u>	<u>102,080</u>
Total funds	<u>134,520</u>	<u>396,395</u>	<u>(352,618)</u>	<u>-</u>	<u>178,297</u>