

THE RECRUITMENT JUNCTION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

THE RECRUITMENT JUNCTION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Colin Fozzard Ms Margaret Lawson Mr Cameron Mann
Director	Beverley Brooks
Charity number	1191442
Principal address	TusPark Maybrook House 27 Grainger Street Newcastle upon Tyne Tyne and Wear NE1 5JE
Independent examiner	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle Upon Tyne Tyne and Wear England NE2 1TJ
Bankers	Virgin Money 131-135 Northumberland Street Newcastle upon Tyne NE1 7AG

THE RECRUITMENT JUNCTION

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THE RECRUITMENT JUNCTION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The trustees present their report and financial statements for the year ended 30 June 2022.

The Recruitment Junction is a Charitable Incorporated Organisation formed in 2020 as a not-for-profit recruitment agency for ex-offenders. It is a registered charity with registration number 1191442.

The trustees who served during the year and up to the date of this report are set out on page 3.

Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charitable objectives of the organisation are:

To promote the rehabilitation of ex-offenders and people with criminal convictions for the public benefit and within a Christian ethos, including through, but not limited to, the provision of mentoring, peer-led support, advocacy and brokerage with potential employers, the provision of grants, goods or services, in such a way that they are better able to identify, and help meet, their needs and participate more fully in society.

Risks

The trustees confirm that the major risks to which the charity is exposed have been identified and reviewed and systems are in place to mitigate those risks, including a robust and regularly reviewed Safeguarding Policy and a Data Protection Policy.

Public Benefit

The trustees are satisfied that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year which are set out below.

Achievements and performance

The Recruitment Junction (TRJ) is the first recruitment agency in the north-east focussed on placing ex-offenders into paid work. Our vision is to see ex-offenders rediscover a sense of purpose through work, becoming role models who drive positive generational impact across families and their wider communities. We achieve this through delivering against local skills shortages, in so doing pushing back against persistent regional unemployment and contributing to a reduction in re-offending.

This is TRJ's second year of operation, in which it has undertaken the activities detailed below, and realised assorted achievements.

We were pleased to continue to expand and renew our commissioned work with the Department for Work and Pensions (DWP) – all 3 DWP contracts surpassed on-target expectation, with the result that 40% of our income during the year was earned from contracts.

During the year under review, we also received grants from the Northumbria Police and Crime Commissioner's Violence Reduction Unit (VRU) and the North of Tyne Combined Authority's Community Led Local Development Scheme, both of which have helped us expand our services.

We have continued to build local and national employer confidence, especially where we are now seeing repeat business relationships, with organisations returning to us to hire a 2nd, 3rd and in one case even a 14th individual. To June 2022, 33 different employers have directly hired staff through us, with ten of these hiring more than one staff member.

THE RECRUITMENT JUNCTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

We placed 158 people into paid work in this period, 45% of whom were the highest category of offender (life sentenced prisoners or sexual offenders). As well as the severity (or simply the fact of) a criminal conviction, many of our candidates face additional barriers to employment, with 23% of the cohort being over 50, and 18% having a physical or mental disability. Job retention rates continue to be around 85% (on par with the national average) and reoffending rates are extremely low at 3% - compared to a national figure of 25% - 60%.

We have designed and delivered several Practitioners' Courses in Criminal Offence Disclosure, training in excess of 60 local government and charity workers in how best to prepare their candidates for interview.

We have sustained our staff headcount at six, and have continued to hire ex-offenders within the charity, both on a short-term and permanent basis, with four such individuals being hired to date – of those on short-term contracts, all have gone on to find paid work elsewhere, due in part to the experience or references gained whilst working here.

All front-line staff have been trained as Mental Health First Aiders, with Neuro-Diversity Training planned in the first quarter of the coming financial year; we continue to host Group Clinical Supervision sessions for the staff team, to ensure that they are given the appropriate support in coping with the challenging situations they sometimes deal with.

We were delighted to be Highly Commended Winners in the 2022 "Robin Corbett Awards", in addition to our 2021 awards from the Howard League for Penal Reform and Nepacs (North-East). This has generated a pleasing amount of local press and social media interest, which has broadened both our employer and donor base quite significantly.

TRJ is a founding member of the Ministry of Justice Employment Advisory Boards in HMPs Northumberland, Low Newton and Durham, and are delighted to have better access to serving prisoners nearing release, with a view to moving them more quickly into work. The HMP Northumberland board was the first to launch in January 2022 and we have seen 31 of their former prisoners since find work; our goal is to make a significant impact on the current 7% into work figure that the jail laments.

Supporters and partners

The Recruitment Junction is extremely grateful for the support of a range of grant-giving trusts and foundations and other organisations, including: the North of Tyne Combined Authority, the Northumbria Police and Crime Commissioner, the Bernicia Foundation, the Trusthouse Charitable Foundation, the National Lottery Community Fund, the 1989 Willan Charitable Trust, the Weavers' Company, the Joicey Trust, the Grocers' Company, the Allen Lane Foundation, the Watson Family Charitable Trust, Hospital of God Greatham, Newcastle Building Society, the Albert Hunt Trust and the Hadrian Trust.

We also received donations from a large number of generous individuals, including many who make regular monthly contributions, as well as numerous contributions towards our candidates' essential travel, workwear and other work needs through the Acts 435 charity.

THE RECRUITMENT JUNCTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

Financial review

The charity's total income for the year ending 30th June 2022 was £328,952, and the total expenditure was £204,927, giving a net surplus of £124,025, which was transferred to retained funds and is carried forward. Of the total income, £138,465 was earned from commissioned services and £152,306 came from grants made by various trusts, foundations and other organisations, with the remainder consisting of donations by various individuals.

The majority of the charity's expenditure relates to salaries and other staff costs, accounting for 81% of total expenditure. The charity also incurs costs to assist candidates with their essential travel, workwear and other items needed to attend interviews or start work. The cost of these items in the year was £16,169, the majority of which were funded through donations from private individuals or the Acts 435 charity. Administrative and other operating costs remain low; the charity occupies serviced office accommodation in Newcastle upon Tyne for which it pays rent on a monthly basis.

The funds of the charity as at 30th June 2022 were £185,612, all of which were unrestricted. The trustees regularly review the reserve levels to ensure that they are appropriate. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees have agreed a policy that the charity should aim to hold a level of reserves (namely those not held for a specific purpose) by the end of its third year of operation, which is equivalent to 6 months forecast future expenditure. The trustees believe that this level of reserves is necessary to ensure continuity of our ongoing services, especially given the government contracting environment which often means that contracts are awarded for short term periods, with gaps of uncertain duration between renewals.

The level of reserves as at 30th June 2022 amounted to 10 months forecast future expenditure. This level of reserves is greater than would normally be held, mainly as a result of the change to the DWP contracting environment which means that the charity is unlikely to receive any income from this source in 2022/23 and will therefore have to fund some of its activities from reserves, until alternative income sources have been secured. The trustees anticipate that reserves as at the end of the 2022/23 financial year will be broadly in line with target.

Plans for future periods

The contracting and commissioning landscape in the north-east has changed significantly during the course of our second year, bringing with it significant challenges. European Social Fund money has come to an end, and so there is no prospect of extending our CLLD grant into 2023; its intended replacement, the UK Shared Prosperity Fund, seems designed to work with "economically inactive" ex-offenders, which is not our target group. Since the reunification that took effect last year, North-East Probation has had to commission its Education, Training and Employment services nationally, which has excluded smaller regional bidders. The DWP has also moved to a 2nd generation procurement system which is having a similar effect of taking funds out of the region and awarding contracts to national providers who are able to offer significant compromises on price due to their national scale and remote-delivery service offering.

We continue to hold discussions with all previous contracting parties to stay close to future funding developments, and as regards philanthropic grants, our intention is to seek multi-year, higher value grant awards, that will allow us to further broaden and deepen the services we provide.

Our intention over the course of year 3 is to develop a third funding stream: recruitment fees and paid-for corporate partnerships.

THE RECRUITMENT JUNCTION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

Structure, governance and management

The charity is a Charitable Incorporated Organisation, formed under the Charities Acts 2011 and registered with the Charity Commission for England and Wales. The relevant governing document is the Constitution, adopted by the Trustees on 27th September 2020.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr Colin Fozzard

Ms Margaret Lawson

Mr Cameron Mann

New trustees may be appointed by resolution passed at a meeting of the trustees, or by statutory powers. Full training and induction will be given to all new trustees, including training on their safeguarding responsibilities.

The trustees are responsible for setting general policy, but the day to day running of the charity is delegated to an employed management team which is headed by the Director.

All trustees give their time voluntarily and receive no remuneration or other benefits from the charity.

Remuneration policy for key management personnel

The trustees have identified the Director as the key management personnel of the charity. The remuneration of the Director is determined by the trustees, with decisions about pay being informed by comparison to salaries within the sector, and subject to a "value for money" test.

The trustees' report was approved by the Board of Trustees.



Mr Cameron Mann

Trustee

Dated: 16th September 2022

THE RECRUITMENT JUNCTION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE RECRUITMENT JUNCTION

I report to the trustees on my examination of the financial statements of The Recruitment Junction (the charity) for the year ended 30 June 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity'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 the Association of Chartered Certified Accountants, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable 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 financial statements to be reached.



Robson Laidler Accountants Limited

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
NE2 1TJ
England

Dated: 20-9-2022

THE RECRUITMENT JUNCTION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2022

Current financial year

	Notes	Unrestricted funds 2022 £	Total 2021 £
<u>Income from:</u>			
Donations and legacies	2	190,102	77,116
Charitable activities	3	138,465	61,200
Investments	4	385	-
Total income		<u>328,952</u>	<u>138,316</u>
<u>Expenditure on:</u>			
Raising funds		300	-
Charitable activities	5	<u>204,627</u>	<u>76,729</u>
Total expenditure		<u>204,927</u>	<u>76,729</u>
Net income for the year/ Net movement in funds		124,025	61,587
Fund balances at 1 July 2021		<u>61,587</u>	-
Fund balances at 30 June 2022		<u><u>185,612</u></u>	<u><u>61,587</u></u>

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

All income and expenditure derive from continuing activities.

THE RECRUITMENT JUNCTION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2022

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
<u>Income from:</u>				
Donations and legacies	2	67,116	10,000	77,116
Charitable activities	3	61,200	-	61,200
Total income		128,316	10,000	138,316
<u>Expenditure on:</u>				
Charitable activities	5	66,729	10,000	76,729
Total expenditure		66,729	10,000	76,729
Net Income for the year/ Net movement in funds		61,587	-	61,587
Fund balances at 23 September 2020		-	-	-
Fund balances at 30 June 2021		61,587	-	61,587

THE RECRUITMENT JUNCTION

BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Cash at bank and in hand		190,356		80,723	
Creditors: amounts falling due within one year	9	(4,744)		(19,136)	
Net current assets			185,612		61,587
Income funds					
Unrestricted funds			185,612		61,587
			185,612		61,587

The financial statements were approved by the Trustees on ...

16th September 2022



Mr Cameron Mann
Trustee

THE RECRUITMENT JUNCTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Charity Information

The Recruitment Junction is a Charitable Incorporated Organisation (charity number: 1191442). The principal address is TusPark, Maybrook House, 27 Grainger Street, Newcastle upon Tyne, NE1 5JE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Recruitment Junction meets the definition of a public benefit entity entry under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE RECRUITMENT JUNCTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.7 Taxation

The charity is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022	2021	2021	2021
	£	£	£	£
Donations and gifts	37,796	18,760	-	18,760
Grant income receivable	152,306	48,356	10,000	58,356
	<u>190,102</u>	<u>67,116</u>	<u>10,000</u>	<u>77,116</u>
Grants receivable for core activities				
The Drapers Charitable Fund	-	10,000	-	10,000
The Vardy Foundation	-	10,000	-	10,000
National Lottery - Awards for All	10,000	10,000	-	10,000
The 1989 Willan Charitable Trust	10,000	-	10,000	10,000
The Watson Family Trust	4,000	5,000	-	5,000
Clinks	-	4,500	-	4,500
Northumbria Police	25,000	-	-	-
NTCA	49,356	-	-	-
Trusthouse Charitable Foundation	10,000	-	-	-
Bernicia Foundation	10,000	-	-	-
Other	33,950	8,856	-	8,856
	<u>152,306</u>	<u>48,356</u>	<u>10,000</u>	<u>58,356</u>

Other grants include £10,000 from The Worshipful Company of Weavers, £5,000 from Grocers' Charity, £3,100 from Greatham Hospital of God, £3,000 from Newcastle Building Society, £5,000 from Joicey Trust, £4,000 from Allen Lane Foundation and £3,850 from other funders.

THE RECRUITMENT JUNCTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

3 Charitable activities

	Contract income 2022 £	Contract income 2021 £
Services provided under contract	138,465	61,200

4 Investments

	Unrestricted funds 2022 £	Total 2021 £
Interest receivable	385	-

5 Charitable activities

	Charitable activities 2022 £	Charitable activities 2021 £
Staff costs	161,912	50,402
Consulting	165	520
Computer software and support	10,134	13,383
Other staff and volunteer expenses	5,330	828
Candidate expenses	16,169	4,185
Charitable Donations	150	-
	193,860	69,318
Share of support costs (see note 6)	9,447	5,131
Share of governance costs (see note 6)	1,320	2,280
	204,627	76,729
Analysis by fund		
Unrestricted funds	204,627	66,729
Restricted funds	-	10,000

THE RECRUITMENT JUNCTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

6 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Advertising and marketing	354	-	354	108
Accountancy and payroll fees	859	-	859	935
Sundry expenses	2,604	-	2,604	1,431
Premises and running costs	5,006	-	5,006	1,881
Subscriptions and memberships	624	-	624	776
Legal and professional	-	-	-	1,320
Independent examination fee	-	1,320	1,320	960
	<u>9,447</u>	<u>1,320</u>	<u>10,767</u>	<u>7,411</u>
Analysed between				
Charitable activities	<u>9,447</u>	<u>1,320</u>	<u>10,767</u>	<u>7,411</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees' expenses

During the year ended 30 June 2021 and 30 June 2022 no expenses were reimbursed to the trustees of the charity.

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Management	1	1
Other	6	2
Total	<u>7</u>	<u>3</u>
Employment costs	2022 £	2021 £
Wages and salaries	149,330	48,593
Social security costs	6,792	795
Other pension costs	5,790	1,014
	<u>161,912</u>	<u>50,402</u>

THE RECRUITMENT JUNCTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

8 Employees

(Continued)

Key management remuneration of £34,650 was paid during the period.

There were no employees whose annual remuneration was £60,000 or more.

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	2,697	4,504
Other creditors	727	13,672
Accruals and deferred income	1,320	960
	<u>4,744</u>	<u>19,136</u>

10 Restricted funds

The restricted funds of the charity comprise the following amounts:

	Movement in funds			Balance at	Balance at
	Balance at 1 July 2020	Incoming resources	Resources expended	1 July 2021	30 June 2022
	£	£	£	£	£
The 1989 Willan Charitable Trust fund	-	10,000	(10,000)	-	-

The 1989 Willan Charitable Trust fund relates to a grant received to cover the salary costs for the director working to support ex-offenders into employment.

11 Related party transactions

There were no disclosable related party transactions during the year (2021 - None).