

**The Recover Team**  
**Report of the Trustees and Annual Accounts**



**RECOVER**

TRANSFORMING FURNITURE  
TRANSFORMING LIVES

**Annual Report and Accounts**

For the year ended 31<sup>st</sup> March 2021

**The Recover Team**  
**Report of the Trustees and Annual Accounts**

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# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **TRUSTEES**

Huw John Phillip Thomas  
Susan Valerie Johnson  
Matthew William Buckley  
Sarah Law

### **REGISTERED OFFICE**

The Recover Team Limited  
Unit 19, Tewin Court  
Welwyn Garden City  
Hertfordshire  
AL7 1AU

**REGISTERED COMPANY NUMBER** 08722235 (England and Wales)

**REGISTERED CHARITY NUMBER** 1167218

### **INDEPENDENT EXAMINER**

### **ACCOUNTANTS**

RS Partnership  
Riverside House  
14 Prospect Place  
Welwyn  
Hertfordshire  
AL6 9EN

### **BANKERS**

Metro Bank  
77 St Peter's Street  
St Albans  
Hertfordshire  
AL1 3ED

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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 2015).

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **TRUSTEES**

#### **Statement from our Founder and General Manager**

In common with many small charities, the past year has been very challenging for Recover. As our service can only be delivered face to face, sadly we had to close the workshop in March 2020. We re-opened in August and re-closed in December.

**Note:** On 6th April 2021 we re-opened to welcome back previous participants and have been open for customers visits since 12th April 2021.

The impact on sales income has been significant. However, we have worked hard to minimise costs and generate grant income, to secure the financial position of Recover. We have taken the opportunity to review our operation during the pandemic and have strengthened our governance and improved outcomes monitoring.

This includes (with the first year's costs being funded by Lloyds Bank Foundation) training, implementation, and licensing of The Outcomes Star for our staff. We have also continued to support participants in any way we can.

As things return to 'normal,' we anticipate a significant increase in demand for our service, resulting from the widely reported increase in the number of people experiencing mental health issues, domestic abuse, or slipping into addictions as a result of the pandemic.

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives and Aims**

##### **Mission**

"Transforming Furniture Transforming Lives," providing a safe, therapeutic, work focused environment where vulnerable adults are empowered, trained, and supported in transforming unwanted furniture in to desirable and saleable items, whilst reducing waste to landfill.

##### **Vision**

For isolated and hard to reach vulnerable adults throughout Hertfordshire and beyond to receive opportunities to acquire the skills they need to reintegrate with communities and find sustainable, satisfying, and worthwhile employment and improved wellbeing.

Recover is a furniture up-cycling charity, creating pathways into volunteering and employment. At its heart is a commitment to sustainability by up-cycling unwanted furniture and materials donated or reclaimed throughout Hertfordshire and beyond.

We offer vulnerable adults (those excluded from society and furthest from employment) new fulfilment and purpose.

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

Our beneficiaries include those who have been affected by mental health issues, substance abuse, alcoholism, a criminal record, homelessness, a disrupted education or are victims of crime and abuse. Recover offers people life-changing experiences, work experience and accredited qualifications. Along the way they also gain a love of furniture, design, and a belief in supporting the local community, environment, and economy.

In the workshop the volunteers up-cycle furniture right from the initial design, producing outstanding and original items. They receive professional training and support, research current trends and techniques, plan how they can make a saleable piece of furniture; repair, sand, measuring, cutting, sewing, paint and finish before learning about pricing and marketing.

Along with nationally recognised and accredited qualifications Recover also has its own in-house 'Skills and Competencies' workbook. Through this programme volunteers will learn up to 30 different transferable skills at 3 different levels.

The enhanced support, structure and routine provided by Recover, including all the above, has achieved very positive outcomes for our participants. Many have moved into full-time sustainable employment, and all demonstrate significant increase in confidence, self-esteem, feelings of self-worth and general wellbeing. These 'softer' outcomes are measured by our in-house Volunteer Progress and Outcome (VPO) process which has been customised to suit based on the nationally recognised Treatment Outcome Profile (TOP) used by other treatment providers.

Recover's policy is one of inclusivity and diversity. However, as an adult enterprise, the only mandatory criterion is that one must be 18 years of age, accompanied by an adult, or attending as part of a work experience program from school or college with the necessary safeguards in place. We do not exclude anyone based on disability, gender reassignment, marriage / civil partnership status, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

### **Public benefit**

The trustees have had regard to the Charity Commission's guidance on public benefit.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

**During Lockdown:** Despite being closed during lockdowns (March to August and December to April), we continued to support participants – most of whom told us that they are struggling with loneliness and anxiety.

We secured funds to provide professional Cognitive Behaviour Therapy to both staff and participants who have reported deteriorating mental health. This continued to be provided online during lockdown.

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

In addition to providing care packages when needed, we have also encouraged participants to keep engaged and motivated through lockdown by enabling them to complete upcycling projects at home. We delivered a donated item of furniture, together with tools and paints to participant's homes – and the team shared their creative ideas and progress on social media. This helped maintain connections and peer support in addition to giving people meaningful projects to focus on.

**Limited operations:** The workshop was open from 4<sup>th</sup> August – 16<sup>th</sup> December. During this period, social distancing requirements restricted numbers to 4 people/day. As initial training requires close supervision, we were unable to accept new referrals. Longer-term team members continued to attend as they are proficient in many skills and can work with limited supervision.

### **Trustee Board meetings**

Throughout the entire year the Trustees continued with monthly board meetings, via zoom. Continuously monitoring Recover's situation to not only ensure a strong 'bounce back' but to update policies taking into consideration all the government and authorities guidelines relating to the pandemic.

### **Partnership Development**

Most partner organisations have been running their service remotely for many months, and staff turnover has been high during this period. This has unfortunately meant that we have lost some contacts and momentum and now need to rebuild this to re-establish referral pathways.

Recover is one of the founder members of the new Herts Drug and Alcohol Network. This group is chaired by Hertfordshire County Council and aims to act as a forum for local providers and those with drug and alcohol responsibilities to ensure a coordinated approach to drug and alcohol provision and pathways across Hertfordshire.

In addition to a number of Commissioning Managers, this Network includes many organisations including: The Living Room, Resolve, CGL, Druglink, Spectrum, Carers in Herts, Viewpoint, No More Service, and Emerging Futures.

Being a member of this group ensures that we are aware of emerging trends and issues and gives us the opportunity to build our network and raise the profile of our work to generate referrals.

### **Employment, Training and Outcomes**

Remarkably four of our core team found employment whilst we were in lockdown and a further two relocated out of county in positive circumstances.

Hands on training for our team was limited to the brief spells we were open, but advice, support and help was given remotely for participants that were working from home.

Alongside this all staff received training in the Outcomes Star that we are now licenced for and using.

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **FINANCIAL REVIEW**

#### **Fundraising**

The Trustees are pleased to acknowledge and thank the following trusts, foundations, and local authorities for their support this year:

- Hertfordshire Community Foundation (HCF)
- Welwyn Hatfield Borough Council (WHBC)
- The Henry Smith Charity
- Lloyds Bank Foundation
- Hertfordshire County Council (HCC)
- Police and Crime Commissioner (PCC)
- Graham Rowlandson Foundation
- Garfield Weston Foundation
- Baring Foundation
- Postcode Neighbourhood Trust

The Trustees remain extremely grateful to local trust funds, Councillors and members of the public who continue to be generous in their support of the Recover Team.

This level of support and recognition is invaluable to a grass roots charity like Recover and all our Team feel proud to be considered worthy and are very much appreciative.

A most special thank you to Sue (our volunteer fundraiser) for a year of continuous hard work, dedication, and enthusiasm with her support for Recover.

Sue's efforts go far beyond writing excellent applications. She is integral in the developing of relationships with our current funders along with potential new opportunities and income diversification strategies.

A big thank you to our Funders who have been very flexible in allowing us to re-purpose grants to cover core costs. In addition, we have had some success in securing emergency covid related funding.

#### **Commissioning**

We have met with Commissioning Managers from Herts County Council and have applied for a share of a contract to provide support to people in recovery from addictions.

#### **Income from Sales and Activities**

Sales of upcycled furniture normally account for 36% of income (excluding gift aid).

However, the closure of markets and our workshop has resulted in a reduction in sales of furniture by 44% this year – furniture sales accounted for 23% of income.

Although this represents a significant change, it is a good achievement as we were closed for most of the year.

The sales income was mainly through online sales, which increased dramatically. These were further boosted by the shop window display we now have at The Howard Centre.

# **The Recover Team**

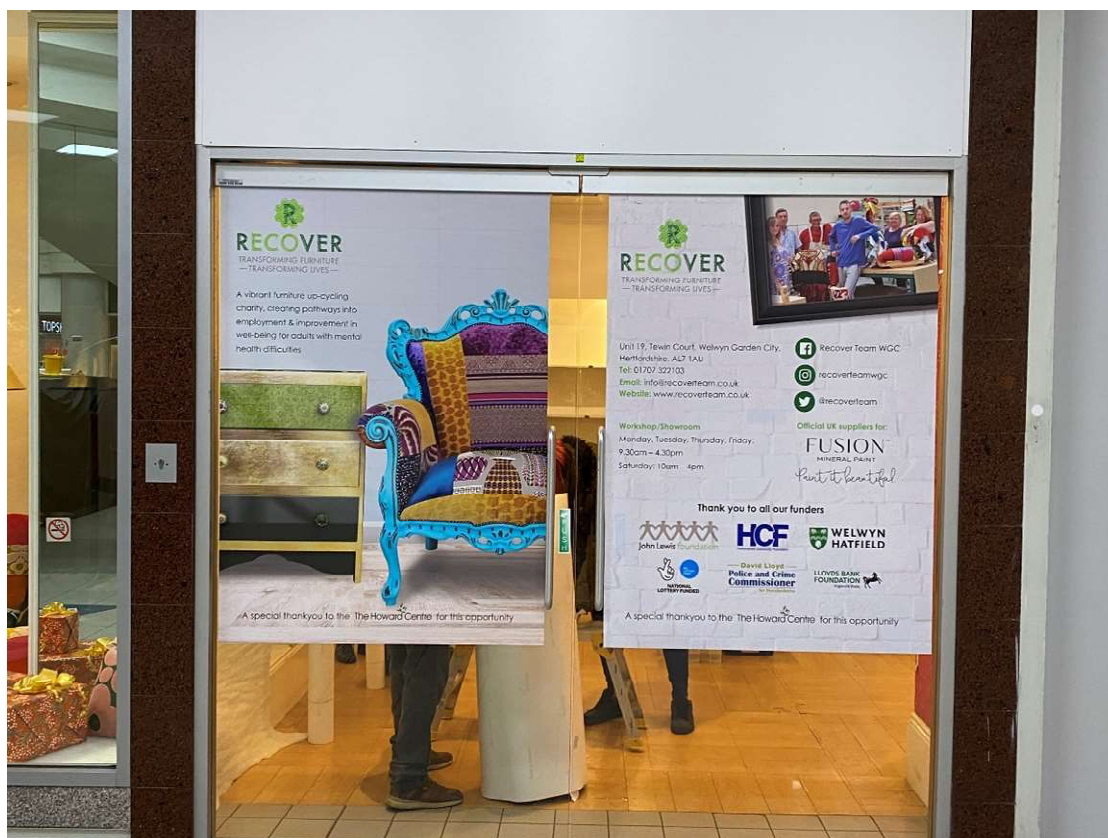
## **Report of the Trustees and Annual Accounts**





# The Recover Team

## Report of the Trustees and Annual Accounts



# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **RESERVES POLICY**

The trustees have agreed a policy whereby funds not committed or invested in tangible fixed assets held by the company should be maintained at a level sufficient to pay rent, staff and running costs for a minimum of six months. This policy allows for a reduction of income or lack of fundraising success during any particular year whilst allowing the charity to continue its activities at the current level for six months. As at the year end the target level of reserves were calculated to be £105,000 of which £94,914 have been achieved.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

#### **Recruitment and appointment of new trustees**

Recover is committed to equal opportunities and operates an open recruitment process to attract individuals with the necessary skill set and commitment to help us succeed. Applicants will be sought through advertisement and are invited to a formal interview with the existing trustees as well as the business management. References are taken up before an appointment is made. Trustees may serve up to two, three-year terms of office. All trustees would receive a full induction and participate in any on-going training events.

#### **Risk management**

The trustees have a risk management strategy which comprises regular review of the principal risks and uncertainties that the charity faces, the establishment of policies, systems, and procedures to mitigate those risks identified and the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise. These risks are focussed on both financial and non-financial risks (e.g., arising from fire, health, and safety).

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **Trustees Responsibility Statement**

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

Company law 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 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 those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charity 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 statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularity.

Approved by order of the board of trustees on 17 December 2021 and signed on its behalf by:

*HJP Thomas*

HJP Thomas (Dec 17, 2021 16:32 GMT)

Huw John Phillip Thomas – Chair of the Board of Trustees

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **Independent Examiner's Report to the trustees of The Recover Team Limited**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 7 to 23.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of The Recover Team Limited (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of The Recover Team Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

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:

1. accounting records were not kept in respect of The Recover Team Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.

*C Drinkwater*  
.....

Riverside House  
14 Prospect Place  
Welwyn  
Hertfordshire  
AL6 9EN

17 December 2021

# The Recover Team

## Report of the Trustees and Annual Accounts

### Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	20,642	-	20,642
Charitable activities	4	41,130	118,454	159,584
Other income	5	34,816	-	34,816
Total income		96,588	118,454	215,042
<b>Expenditure on:</b>				
Charitable activities	6	(58,292)	(146,994)	(205,286)
Other expenditure	7	(1,529)	(2,666)	(4,195)
Total expenditure		(59,821)	(149,660)	(209,481)
Net income/(expenditure)		36,767	(31,206)	5,561
Net movement in funds		36,767	(31,206)	5,561
<b>Reconciliation of funds</b>				
Total funds brought forward		50,147	39,206	89,353
Total funds carried forward	18	86,914	8,000	94,914
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	8,377	-	8,377
Charitable activities	4	76,986	106,820	183,806
Total income		85,363	106,820	192,183
<b>Expenditure on:</b>				
Charitable activities	6	(82,168)	(98,841)	(181,009)
Other expenditure	7	(1,769)	(3,555)	(5,324)
Total expenditure		(83,937)	(102,396)	(186,333)
Net income		1,426	4,424	5,850
Net movement in funds		1,426	4,424	5,850
<b>Reconciliation of funds</b>				
Total funds brought forward		48,721	34,782	83,503
Total funds carried forward	18	50,147	39,206	89,353

# The Recover Team

## Report of the Trustees and Annual Accounts

### Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	10,247	14,452
<b>Current assets</b>			
Debtors	15	1,359	52,373
Cash at bank and in hand	16	172,541	82,834
		173,900	135,207
<b>Creditors: Amounts falling due within one year</b>	17	(89,233)	(60,306)
<b>Net current assets</b>		84,667	74,901
<b>Net assets</b>		94,914	89,353
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	18	7,998	39,206
<b>Unrestricted income funds</b>			
Unrestricted funds		86,916	50,147
<b>Total funds</b>	18	94,914	89,353

For the financial year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

#### Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 7 to 23 were approved by the trustees, and authorised for issue on 17 December 2021 and signed on their behalf by:

*HJP Thomas*

HJP Thomas (Dec 17, 2021 16:32 GMT)

Mr Huw John Phillip Thomas  
Trustee

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Charity status**

The charity is limited by share capital, incorporated in .

The address of its registered office is:

Unit 19 Tewin Court

Welwyn Garden City

Hertfordshire

AL7 1AU

These financial statements were authorised for issue by the trustees on 8 December 2021.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

The Recover Team Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### **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.

#### ***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's 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 £0.00 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 as follows:



# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **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.

#### **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.

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's 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.

##### ***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.

# **The Recover Team**

## **Report of the Trustees and Annual Accounts**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### ***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.

# The Recover Team

## Report of the Trustees and Annual Accounts

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### *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.

### 3 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Gift aid reclaimed	18,412	18,412	-
Regular giving and capital donations	2,230	2,230	8,377
	20,642	20,642	8,377

### 4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Upcycled Furniture	43,360	118,454	161,814	183,806
Gift Aid	18,412	-	18,412	-
	61,772	118,454	180,226	183,806

### 5 Other income

	Unrestricted funds General £	Total 2021 £
COVID-19 Grants	34,816	34,816

# The Recover Team

## Report of the Trustees and Annual Accounts

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 6 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Upcycled furniture	42,941	72,801	115,742	94,949
Staff costs	9,125	74,193	83,318	79,400
Governance costs	6,213	-	6,213	6,660
Other expenditure	1,539	2,666	4,205	-
	59,818	149,660	209,478	181,009

In addition to the expenditure analysed above, there are also governance costs of £6,212 (2020 - £6,660) which relate directly to charitable activities. See note 8 for further details.

#### 7 Other expenditure

Note	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Depreciation, amortisation and other similar costs	1,529	2,666	4,195	5,324
	1,529	2,666	4,195	5,324

#### 8 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	3,178	3,178	3,178
Other fees paid to examiners	3,035	3,035	3,482
	6,213	6,213	6,660

# The Recover Team

## Report of the Trustees and Annual Accounts

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	4,195	5,324

#### 10 Trustees remuneration and expenses

#### 11 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	77,512	74,081
Social security costs	3,060	3,651
Pension costs	1,763	1,668
Other staff costs	983	-
	<u>83,318</u>	<u>79,400</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Employees	3	3

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

#### 12 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	6,213	6,660

# The Recover Team

## Report of the Trustees and Annual Accounts

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 13 Taxation

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

#### 14 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2020	4,094	23,962	28,056
At 31 March 2021	4,094	23,962	28,056
<b>Depreciation</b>			
At 1 April 2020	2,181	11,423	13,604
Charge for the year	1,070	3,135	4,205
At 31 March 2021	3,251	14,558	17,809
<b>Net book value</b>			
At 31 March 2021	843	9,404	10,247
At 31 March 2020	1,913	12,539	14,452

#### 15 Debtors

	2021 £	2020 £
Trade debtors	184	323
Prepayments	1,175	52,050
	1,359	52,373

#### 16 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	168	300
Cash at bank	172,373	82,534
	172,541	82,834

# The Recover Team

## Report of the Trustees and Annual Accounts

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 17 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	19,170	16,742
Accruals	70,063	43,564
	<u>89,233</u>	<u>60,306</u>

#### 18 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>				
<i>General</i>				
General Funds A	50,147	96,588	(59,819)	86,916
<b>Restricted funds</b>				
Councillors Locality Budget Scheme	1,000	-	(1,000)	-
Hertfordshire PCC Grant	5,798	7,800	(13,598)	-
John Arthorp	3,046	-	(762)	2,284
Henry Smith Charity	7,500	22,500	(30,000)	-
Clothworkers Foundation	7,619	-	(1,905)	5,714
Welwyn Hatfield Council	-	51,082	(51,082)	-
Lloyds Bank Foundation	1,576	-	(1,576)	-
Garfield Weston	11,667	-	(11,667)	-
High Sheriff Award	1,000	-	(1,000)	-
Baring Foundation	-	12,000	(12,000)	-
Postcode Neighbourhood	-	8,330	(8,330)	-
HCF Rowlandson's	-	16,742	(16,742)	-
<b>Total restricted funds</b>	<u>39,206</u>	<u>118,454</u>	<u>(149,662)</u>	<u>7,998</u>
<b>Total funds</b>	<u>89,353</u>	<u>215,042</u>	<u>(209,481)</u>	<u>94,914</u>
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>				
<i>General</i>				
General Funds A	48,721	85,363	(83,937)	50,147



# The Recover Team

## Report of the Trustees and Annual Accounts

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Restricted

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Awards For All	9,842	-	(9,842)	-
Councillors Locality Budget Scheme	720	1,000	(720)	1,000
Hertfordshire PCC Grant	-	9,786	(3,988)	5,798
HCF Large Grant	10,000	11,958	(21,958)	-
John Arthorp	4,062	-	(1,016)	3,046
Henry Smith Charity	-	30,000	(22,500)	7,500
Clothworkers Foundation	10,158	-	(2,539)	7,619
Welwyn Hatfield Council	-	13,892	(13,892)	-
Mrs Smith & Mount Trust	-	5,000	(5,000)	-
Lloyds Bank Foundation	-	14,184	(12,608)	1,576
Garfield Weston	-	20,000	(8,333)	11,667
High Sheriff Award	-	1,000	-	1,000
<b>Total restricted funds</b>	<b>34,782</b>	<b>106,820</b>	<b>(102,396)</b>	<b>39,206</b>
<b>Total funds</b>	<b>83,503</b>	<b>192,183</b>	<b>(186,333)</b>	<b>89,353</b>

#### 19 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	2,250	7,997	10,247
Current assets	154,730	19,170	173,900
Current liabilities	(89,233)	-	(89,233)
Total net assets	67,747	27,167	94,914
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2020 £
Tangible fixed assets	3,789	10,663	14,452
Current assets	89,925	45,282	135,207
Current liabilities	(60,306)	-	(60,306)
Total net assets	33,408	55,945	89,353

# The Recover Team

## Report of the Trustees and Annual Accounts

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 20 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	82,834	89,707	172,541
Net debt	82,834	89,707	172,541
	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	94,738	(11,904)	82,834
Net debt	94,738	(11,904)	82,834

# The Recover Team

## Report of the Trustees and Annual Accounts

### Statement of Financial Activities by fund for the Year Ended 31 March 2021

#### Unrestricted Funds

	Total Unrestricted Funds 2021 £	Total Unrestricted Funds 2020 £
<b>Income and Endowments from:</b>		
Donations and legacies	20,642	8,377
Charitable activities	41,130	76,986
Other income	34,816	-
Total income	<u>96,588</u>	<u>85,363</u>
<b>Expenditure on:</b>		
Charitable activities	(58,292)	(82,168)
Other expenditure	(1,529)	(1,769)
Total expenditure	<u>(59,821)</u>	<u>(83,937)</u>
Net income	<u>36,767</u>	<u>1,426</u>
Net movement in funds	36,767	1,426
<b>Reconciliation of funds</b>		
Total funds brought forward	<u>50,147</u>	<u>48,721</u>
Total funds carried forward	<u>86,914</u>	<u>50,147</u>

# The Recover Team

## Report of the Trustees and Annual Accounts

### Statement of Financial Activities by fund for the Year Ended 31 March 2021

#### Restricted Funds

	Total Restricted Funds 2021 £	Total Restricted Funds 2020 £
<b>Income and Endowments from:</b>		
Charitable activities	118,454	106,820
Total income	118,454	106,820
<b>Expenditure on:</b>		
Charitable activities	(146,994)	(98,841)
Other expenditure	(2,666)	(3,555)
Total expenditure	(149,660)	(102,396)
Net (expenditure)/income	(31,206)	4,424
Net movement in funds	(31,206)	4,424
<b>Reconciliation of funds</b>		
Total funds brought forward	39,206	34,782
Total funds carried forward	8,000	39,206

# Annual Report and Accounts - March 21

Final Audit Report

2021-12-17

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