

CUMBRIA REDUCING OFFENDING
PARTNERSHIP TRUST LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 MARCH 2017

(A company limited by guarantee)

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
(A company limited by guarantee)

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CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2017**

Trustees

D Peacock, Chair
R Wager
J Wager
C J Armstrong
A H Alger (resigned 6 December 2016)
A Newcome
R Rhodes (appointed 7 March 2017)

Company registered number

06635865

Charity registered number

1130456

Registered office

Fairview House, Victoria Place, Carlisle, Cumbria, CA1 1HP

Accountants

Armstrong Watson Audit Limited, Fairview House, Victoria Place, Carlisle, Cumbria, CA1 1HP

Bankers

The Co-operative Bank PLC, PO Box 101, 1 Balloon Street, Manchester, M60 4EP

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their annual report together with the financial statements for Cumbria Reducing Offending Partnership Trust Limited for the period 1 April 2016 to 31 March 2017.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 30th June 2008. The charity was registered with the Charity Commission on 6th July 2009 with a number 1130456.

The company also trades under the name CROPT.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

CROPT's work is overseen by a group of Trustees (The chair, Treasurer and Deputy Chair), operating as the Executive Team, meeting monthly and reporting to the full board of Trustees on a quarterly basis. During 2016-17, the CEO of CROPT, reported to both the Executive Team and the full board of trustees on a monthly and quarterly basis, respectively.

The board members are appointed on a 3-year cycle. All key decisions are made by the Board, which meets at least once per quarter. Trustees are appointed by the Board and are given induction training in accordance with CROPT's Governance Policies and Procedures.

Objectives and Activities

POLICIES AND OBJECTIVES

The charity's objects, as agreed with the Charity Commission, are:

To promote the care, resettlement and rehabilitation of offenders, ex-offenders and those at risk of offending, in particular but without prejudice to the generality, by providing education and training that will enable them to take control of their lives and remain free from offending.

To advance the education of the public in the underlying causes of and appropriate responses to offending behaviours.

Our Vision

CROPT believes that in every individual there is something to be valued and nurtured. In line with our charitable objects and founding ideals we endeavour to transform lives and create safer and more inclusive communities.

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Our Mission

We aim to realise our vision by providing support for offenders, ex-offenders and those at risk of offending, in the following ways :

- a) Informing communities of the needs of offenders, ex-offenders and those at risk of offending
- b) Providing individual mentoring and group support
- c) Using our trading arm to build employment skills and to help sustain resources
- d) Involving service-users in planning and service delivery
- e) Building partnerships with other agencies working to reduce offending.

Our Strategic Objectives:

1. Continue to secure and successfully deliver contracts and sub-contracts under the new arrangements for the outsourcing of Probation services
2. Develop a range of rehabilitation programmes with HMP Haverigg in Cumbria and HMP Kirkham in Lancashire, for prisoners being released into Cumbria.
3. Work with others to establish a consortium of local providers of services for offenders, ex-offenders and those at risk of offending, and their dependents
4. Continue to develop and improve existing CROPT services
5. Maintain a strong and appropriately experienced Board of Trustees
6. Employ a sufficient number of appropriately skilled and experienced paid staff and volunteers to oversee and drive the efficient running of CROPT and its activities
7. Set in place a sound and sustainable financial strategy and diverse income base that will support current and potential new projects
8. Set in place robust policies and procedures in order to ensure quality in all aspects of the organisation's work and practice
9. Monitor and evaluate processes that focus on outcomes and impact measures

ACTIVITIES FOR ACHIEVING OBJECTIVES

CROPT has identified four areas of core business that sit within the seven pathways to reducing offending established by The National Offender Management Service (NOMS):

- 1) Informing the public of the underlying causes and appropriate responses to offending behaviours
- 2) Establishing employment and training opportunities for offenders and ex-offenders, which will aim to be self sustaining and make a contribution to CROPT's income generation strategy.
- 3) Developing Volunteer Mentoring that offers intensive and bespoke support to offenders and ex-offenders.
- 4) Building joint-working partnerships that promote an integrated service provision for offenders, ex-offenders and their families to help transform lives and reduce offending behaviour.

The above presents to external stakeholders and the public a clear profile of CROPT and provides a framework for planning, achievement and performance.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

PUBLIC BENEFIT STATEMENT

The trustees have considered the guidance in respect of public benefit and confirm that they have adhered through their objective and activities.

Achievements and performance

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

REVIEW OF ACTIVITIES

CROPT continues to review, examine and update the activities and programmes it offers to offenders. This includes for example identifying gaps in provision for those living with Autism and for young people exhibiting sexualised behaviours. As in all cases CROPT's services and activities work towards outcomes that bring constructive changes and benefits to offenders and help them to make positive changes to their lives. Research has highlighted that working to address the multiple problems experienced by offenders can help them to move away from offending behaviour and reduce re-offending. (MoJ 2010, Revolving Door 2010)

CROPT's strength lies in recognising that by supporting individuals to make 'internal changes' (soft outcomes) such as building confidence or tackling addiction; the achievement of 'external changes' to behaviour (hard outcomes) are more likely to be successful and sustained.

Below is a list of the 'soft' and 'hard' desired outcomes for the full range of CROPT services:

Internal Changes/Soft Outcomes

- o Increased motivation
- o Improved access to community resources
- o Improved self care
- o Increased confidence and self esteem
- o More insight into consequences of actions
- o Development of social/practical/interpersonal skills
- o Addressing issues relating to mental health

External Changes/Hard Outcomes

- o Volunteer placement
- o Education/training
- o Employment
- o Reintegration into community
- o Reduction/change in offending behaviour
- o Reconciliation with family

Quality of work with Offenders

The skills, experience and qualities of the staff and volunteers who work with offenders is an important factor in the success of CROPT projects. The staff and volunteers play a vital role and have a positive and problem-solving approach alongside a tolerant and non-judgemental attitude. CROPT has reviewed the current training of volunteers to ensure we have a 'One CROPT' approach to recruitment and training. Thus volunteers will feel engaged with CROPT rather than with individual projects.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

ACTUAL ACHIEVEMENTS

Over the period 2016-17 CROPT provided the following services for offenders, ex-offenders and those at risk of offending:

- Circles of Support and Accountability for those living in the community who have committed serious offences of a sexual nature
- Mentoring for those living in the community who have committed less serious offences of a sexual nature
- Mentoring and support services for young people exhibiting unacceptable sexualised behaviours
- Mentoring and support services for people on the autism spectrum deemed to be at risk of committing indictable offences
- Development of life and employments skills for all offenders, including those deemed to be 'hard to reach'
- Various and varied interventions for individual offenders according to specific need

Financial review

2016-17 saw a need for CROPT to draw heavily on its reserves in order to maintain the full range of its programmes, including some new and innovative projects which by the end of the year did not prove to be sustainable and they were discontinued. As a result, the brought forward reserves of £173,284 were reduced to £29,688 by the end of year. The board of trustees were kept fully aware of the financial position and the potential risk of a much reduced level of reserves by 31st March 2017.

However, CROPT since its formation has always adopted an innovative approach to the design and piloting of new services and unfortunately some of the new services such as Arete, Kirkham Prison and Mediation projects proved unsustainable, placing a financial burden on the charity's reserve balances and therefore, were ceased at the year end. This unfortunately led to three redundant posts, two of which related to these discontinued projects. The total cost of redundancies was kept to a minimum and did not exceed £1,200.

The end of the year saw robust financial control and monitoring procedures in place as a result of which the trustees are of the view that the company has adequate resources and anticipated income to continue in operational existence with clear plans to re-build its reserves during the current financial year. For this reason, the trustees are of the view that CROPT will be able to continue delivering its services, as a going concern for 2018-19 and beyond.

RESERVES POLICY

This Reserves Policy has been drawn up having regard to the guidance issued by the Charity Commission in "Charity Reserves: building resilience" (CC19).

CROPT trustees have concluded that the charity needs to maintain reserves for the following reasons:-

- To maintain key services in the event of sources of income (primarily grants and contracts) drying up or declining, whilst seeking alternative funding streams
- Alternatively, to manage an orderly reduction of service where necessary, allowing time for staffing levels to be adjusted and the impact on staff and service users to be minimised
- To provide a cushion against unforeseen extra costs, e.g. employing extra staff to cover a long-term sickness absence
- To provide a resource to enable advantage to be taken of unexpected opportunities in service development, such as seed funding a new project
- To provide gap funding in areas of service where costs need to be incurred prior to the receipt of income
- To provide resilience in a context of changing policies and priorities within the criminal justice system

As CROPT income is made up of a number of grants and contracts over varying time periods, it is unlikely that the Trustees would be faced with a major financial challenge at short notice, i.e., there should be adequate time to manage service changes to match funding exigencies. At present CROPT does not have significant fixed costs, such as premises, nor long term lease commitments.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

In a rapidly changing and uncertain environment, the Trustees find it difficult to estimate a precise level of reserves that should be held and consider that a target range may be more appropriate. At the present time and having regard to the considerations above, the Trustees would aim to maintain a reserve in the range of three to six months expenditure.

The Trustees will review this policy annually and will monitor the level of reserves as part of CROPT's quarterly financial reporting.

Plans for future periods

CROPT will pursue the strategic objectives set out above by continuing to offer its current range of programmes aimed at providing support and rehabilitation for offenders, ex-offenders and those at risk of offending.

CROPT aims to extend its work with sex offenders through Circles of Support and Accountability across a wider area of the North West and to expand its mentoring service for lower-risk sex offenders for whom the full Circles intervention is deemed to be inappropriate.

Through its 'Triple A' project, CROPT looks to extend its work with people on the autistic spectrum either already in the Criminal Justice System or assessed as being at risk of criminal offending.

With new funding recently awarded, CROPT, in co-operation with other local providers, will further develop strategies aimed at increasing opportunities for remunerated employment for offenders and ex-offenders.

This report was approved by the Trustees on 5 September 2017 and signed on their behalf by:

D Peacock, Chair
Trustee

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees (who are also directors of Cumbria Reducing Offending Partnership Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 irregularities.

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED

I report on the financial statements of the company for the year ended 31 March 2017 which are set out on pages 10 to 23.

This report is made solely to the company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards 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 been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

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

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

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

BASIS OF INDEPENDENT EXAMINER'S REPORT

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

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
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INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

INDEPENDENT EXAMINER'S STATEMENT

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Dated: 14 September 2017

Karen A Rae FCCA

Armstrong Watson Audit Limited

Chartered Accountants

Carlisle

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
INCOME FROM:					
Donations and legacies	2	632	133,950	134,582	139,855
Charitable activities	3	36,114	134,291	170,405	149,112
Other trading activities		1,961	-	1,961	880
Investments	4	205	-	205	354
TOTAL INCOME		<u>38,912</u>	<u>268,241</u>	<u>307,153</u>	<u>290,201</u>
EXPENDITURE ON:					
Raising funds		1,392	-	1,392	798
Charitable activities		182,085	267,292	449,377	334,966
TOTAL EXPENDITURE	7	<u>183,477</u>	<u>267,292</u>	<u>450,769</u>	<u>335,764</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(144,565)	949	(143,616)	(45,563)
RECONCILIATION OF FUNDS:					
Total funds brought forward		121,773	51,511	173,284	218,847
TOTAL FUNDS CARRIED FORWARD		<u>(22,792)</u>	<u>52,460</u>	<u>29,668</u>	<u>173,284</u>

The notes on pages 12 to 23 form part of these financial statements.

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED**(A company limited by guarantee)****REGISTERED NUMBER: 06635865****BALANCE SHEET
AS AT 31 MARCH 2017**

	Note	£	2017 £	As restated 2016 £
CURRENT ASSETS				
Debtors	10	42,842	69,397	
Cash at bank and in hand		36,475	166,571	
		<u>79,317</u>	<u>235,968</u>	
CREDITORS: amounts falling due within one year	11	<u>(49,649)</u>	<u>(62,684)</u>	
NET CURRENT ASSETS			<u>29,668</u>	173,284
NET ASSETS			<u>29,668</u>	<u>173,284</u>
CHARITY FUNDS				
Restricted funds	13		52,460	51,511
Unrestricted funds	13		(22,792)	121,773
TOTAL FUNDS			<u>29,668</u>	<u>173,284</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 5 September 2017 and signed on their behalf, by:

D Peacock, Chair**R Wager, Treasurer**

The notes on pages 12 to 23 form part of these financial statements.

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Cumbria Reducing Offending Partnership Trust 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.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.5 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried by the charity.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Donations	632	-	632	405
Grants	-	133,950	133,950	139,450
Total donations and legacies	632	133,950	134,582	139,855
<i>Total 2016</i>	139,855	-	139,855	

GRANTS

	2017 £	2016 £
Northern Rock Foundation	41,500	41,500
Francis C Scott Charitable Trust	45,000	20,000
Lloyds TSB Foundation	15,450	15,450
Cumbria Methodist District Sellafield	2,500	2,500
Eden District Council Community Fund	1,000	-
Rethinking Advocacy Project	3,000	-
Invited Guest Trust for HMP Kirkham	7,500	-
OPCC Cumbria for Triple A	10,000	-
West Cumbria Probation Fund	8,000	-
J P Getty Charitable Trust	-	10,000
Rank Foundation	-	25,000
Garfield Weston Foundation	-	15,000
	-	10,000
Total	133,950	139,450

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>As restated Total funds 2016 £</i>
Contract income	36,114	134,291	170,405	149,112
Total	36,114	134,291	170,405	149,112
<i>Total 2016</i>	-	149,112	149,112	

In 2016, of the total income from charitable activities, £48,635 was to unrestricted funds and £100,481 was to restricted funds.

CUMBRIA REDUCING OFFENDING PARTNERSHIP TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest received	205	-	-	205	354
<i>Total 2016</i>	354	-	-	354	

In 2016 total investment income of £354 related to unrestricted funds.

5. DIRECT COSTS

	Cost of Undertaking Charitable Activities £	Total 2017 £	Total 2016 £
Travel & subsistence	43,831	43,831	33,139
Car hire & fuel	4,901	4,901	3,398
Printing, postage & stationery	5,501	5,501	5,098
Office equipment & hire	7,057	7,057	5,877
Telephone	4,012	4,012	3,061
Room hire & catering	8,480	8,480	8,276
Rent	7,482	7,482	6,732
Insurance	2,548	2,548	2,395
Staff training	11,638	11,638	3,541
Recruitment costs	6,750	6,750	495
Advertising & website costs	430	430	6,340
Professional fees	37,693	37,693	14,459
Project costs	1,267	1,267	16,415
Tools & materials	2,601	2,601	334
Service user costs	455	455	536
Redundancy provision	1,152	1,152	-
Clawback of grant income	23,822	23,822	-
Wages and salaries	256,492	256,492	204,548
National insurance	16,069	16,069	16,505
Pension cost	653	653	-
	442,834	442,834	331,149
<i>At 31 March 2016</i>	331,149	331,149	

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**NOTES TO THE FINANCIAL STATEMENTS
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6. SUPPORT COSTS

	Cost of undertaking Charitable Activities £	Total 2017 £	Total 2016 £
Trustees Expenses	206	206	186
Subscriptions	1,663	1,663	829
Professional fees	4,417	4,417	2,791
Bank charges	257	257	12
	<u>6,543</u>	<u>6,543</u>	<u>3,818</u>
<i>At 31 March 2016</i>	<u>3,818</u>	<u>3,818</u>	

During the year ended 31 March 2017, the company incurred the following Governance costs:

£3,006 (2016 - £2,656) included within the table above in respect of cost of undertaking Charitable Activities.

In 2016, the company incurred the following Support costs:

£3,819 in respect of cost of undertaking Charitable Activities.

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	1,392	1,392	798
Costs of generating funds	<u>-</u>	<u>1,392</u>	<u>1,392</u>	798
Cost of undertaking charitable activities	273,214	176,163	449,377	334,966
	<u>273,214</u>	<u>177,555</u>	<u>450,769</u>	<u>335,764</u>
<i>Total 2016</i>	<u>221,053</u>	<u>114,711</u>	<u>335,764</u>	

8. NET INCOME/(EXPENDITURE)

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, 1 Trustees received reimbursement of expenses of £200 (2016 - 1 Trustee received reimbursement of expenses of £186).

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	256,492	204,548
Social security costs	16,069	16,505
Other pension costs	653	-
	<u>273,214</u>	<u>221,053</u>

The average number of persons employed by the company during the year was as follows:

	2017 No.	2016 No.
Management and administration	15	11

No employee received remuneration amounting to more than £60,000 in either year.

10. DEBTORS

	2017 £	2016 £
Trade debtors	23,820	36,781
Prepayments and accrued income	19,022	32,616
	<u>42,842</u>	<u>69,397</u>

11. CREDITORS: Amounts falling due within one year

	2017 £	<i>As restated</i> 2016 £
Trade creditors	8,795	2,258
Accruals and deferred income	40,854	60,426
	<u>49,649</u>	<u>62,684</u>

12. PRIOR YEAR ADJUSTMENT

The accounts have been restated to adjust for the overstatement of income in the prior period to 31 March 2016. The adjustment has resulted in the brought forward total funds reducing by £29,635, being a decrease in unrestricted funds of £16,700 and a decrease in restricted funds of £12,935.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2016 <i>As restated</i> £	Income £	Expenditure £	Balance at 31 March 2017 £
Unrestricted funds				
General Funds	121,773	38,912	(183,477)	(22,792)
Restricted funds				
Circles	20,101	101,758	(106,087)	15,772
Allotment	1,014	-	(1,014)	-
Achieve (TTG)	7,644	-	-	7,644
Achieve (Buddy)	2,009	-	-	2,009
Arete	863	2,150	(3,013)	-
Triple A Project	-	37,270	(37,270)	-
KISE	4,958	600	(504)	5,054
HMP Kirkham	8,013	10,000	(18,013)	-
Mentoring	2,354	-	-	2,354
Achieve 2015	3,365	27,222	(21,903)	8,684
Northern Rock CEO Salary	1,190	41,500	(38,076)	4,614
Moving forward	-	1,000	-	1,000
New Horizons	-	1,291	(1,291)	-
Mediation	-	30,000	(24,671)	5,329
Lloyds TSB Foundation	-	15,450	(15,450)	-
	<u>51,511</u>	<u>268,241</u>	<u>(267,292)</u>	<u>52,460</u>
Total of funds	<u><u>173,284</u></u>	<u><u>307,153</u></u>	<u><u>(450,769)</u></u>	<u><u>29,668</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2015</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 March 2016 As restated</i> £
Unrestricted funds					
General Funds	164,670	90,264	(133,161)	-	121,773
	<u>164,670</u>	<u>90,264</u>	<u>(133,161)</u>	<u>-</u>	<u>121,773</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

13. STATEMENT OF FUNDS (continued)

Restricted funds

Circles	23,286	99,092	(102,277)	-	20,101
Allotment	-	5,000	(3,986)	-	1,014
Achieve (TTG)	5,924	1,773	(53)	-	7,644
Achieve (Buddy)	811	2,417	(1,219)	-	2,009
Arete	14,889	10,000	(24,026)	-	863
Seagull	867	2,014	(2,881)	-	-
Triple A Project	-	2,510	(2,510)	-	-
KISE	5,256	-	(298)	-	4,958
HMP Kirkham	-	10,000	(1,987)	-	8,013
Mentoring	3,141	-	(787)	-	2,354
Achieve 2015	-	10,185	(6,820)	-	3,365
Northern Rock CEO Salary	-	41,500	(40,310)	-	1,190
Lloyds TSB Foundation	-	15,450	(15,450)	-	-
	<u>54,174</u>	<u>199,941</u>	<u>(202,604)</u>	<u>-</u>	<u>51,511</u>
Total of funds	<u><u>218,844</u></u>	<u><u>290,205</u></u>	<u><u>(335,765)</u></u>	<u><u>-</u></u>	<u><u>173,284</u></u>

Circles of Support and Accountability – Circles of Support and Accountability (CoSA) provide support and guidance for people living in the community who have been convicted of serious offences of a sexual nature.

Allotment - Our allotment had to close due to local public pressure, however the service users are working on Kingmoor Nature Reserve and on some work we are undertaking for payment on a hotel grounds in the lake district.

Achieve (TTG - Through The Gate) - This project is funded through Achieve North West, an ESF funded programme, and sub-contracted to us by the Probation Service. The Through The Gate service delivered mentoring to prisoners near release and carried on into their resettlement in the community. Funding was used for staff salaries and for service user travel etc.

Achieve (Buddy) Project – Achieve (Buddy) Project works with offenders referred by the Probation Services and seeks through one-on-one contact to prepare those referred for eventual employment.

ARETE – Arete, a trading project with HMP Haverigg, was discontinued at the end of 2017 when funding ran out.

Triple A Project – The Triple A Project provides a range of services for people within the autism community who are deemed to be at risk of becoming either victims or perpetrators of criminal actions.

KISE – Facilitated by CROPT, KISE is an informal forum of representatives of Cumbria voluntary organisations working with offenders and ex-offenders in the community.

HMP Kirkham (Rural Skills Project) – This project which aimed to equip groups of HMP Kirkham prisoners with a range of rural skill – e.g. dry-stone walling, fencing, path-building – was discontinued at the end of 2017 when funding ran out.

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Mentoring & Achieve 2015 - ESF funded and mentored offenders who were in the community and subject to a community based penalty. Buddy helped offenders to access ETE and assisted them in budgeting, attending appointments and general befriending. Funding was used for staff salaries and for service user travel.

Northern Rock Foundation - In 2014 the Foundation awarded a Grant of £41,500 per annum over 5 years to 2019. This funding is to pay for the Chief Executive Officer and the payment period is from 1st May to 30th April in the following year.

Moving forward - This project is to improve the employability of some of the most socially isolated people in the whole of Cumbria as well as brokering links with employers to work with in this aim. This will be done through mentoring, identifying and challenging barriers, and recognising educational needs that can be addressed, thus preparing individuals for a more productive life.

New Horizons – This was a project to work with AWAZ which was funded by the PCC. The project was aimed at targeting Hate Crime in Cumbria. The project was led by AWAZ with CROPT invoicing AWAZ for its costs.

Mediation - This was an innovative project initiated by F.C Scott. The idea was for CROPT to mediate between young service users with other agencies, school and parents. This proved very challenging and due to the lack of interest the project ended. A total of £849 was expended during the year, with the remaining £23,822 shown as a clawback of the grant, this balance is included within accruals.

Lloyds Bank Foundation - The Lloyds Bank Foundation awarded a three-year grant to CROPT from 2016 for core costs based on a bid for a business support officer. The officer is now in post and is fulfilling the terms of the grant by administering the organisation and collecting data on offenders using CROPT's services.

Sodexo Project – CROPT is contracted with Sodexo to provide a mentoring service for offenders referred through the Cumbria and Lancashire Community Rehabilitation Company.

The Seagull – The Seagull is a newspaper written and composed by HMP Haverigg prisoners and published and distributed electronically by CROPT up to four times per year.

Horticultural Project – Through its large allotment in Carlisle and through a range of activities carried out in the wider community, the Horticultural Project helps offenders and ex-offenders to develop gardening and landscape management skills.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
General funds	121,773	38,912	(183,477)	(22,792)
Restricted funds	51,511	268,241	(267,292)	52,460
	<u>173,284</u>	<u>307,153</u>	<u>(450,769)</u>	<u>29,668</u>

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2015</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Balance at 31 March 2016 As restated</i> £
General funds	164,670	90,264	(133,161)	121,773
Restricted funds	54,174	199,941	(202,604)	51,511
	<u>218,844</u>	<u>290,205</u>	<u>(335,765)</u>	<u>173,284</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Current assets	(22,209)	101,526	79,317
Creditors due within one year	(583)	(49,066)	(49,649)
	<u>(22,792)</u>	<u>52,460</u>	<u>29,668</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2016 As restated</i> £	<i>Restricted funds 2016 As restated</i> £	<i>Total funds 2016 As restated</i> £
Current assets	163,468	72,500	235,968
Creditors due within one year	(41,695)	(20,989)	(62,684)
	<u>121,773</u>	<u>51,511</u>	<u>173,284</u>

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15. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £653 (2016 - £nil). There were no contributions payable to the fund at the balance sheet date (2016 - £nil).

16. FIRST TIME ADOPTION OF FRS 102

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.