

Charity Registration No. SC028022 (Scotland)

Company Registration No. SC186555 (Scotland)

**COPE LTD.
A Company Limited by Guarantee
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

COMPANIES HOUSE
28 SEP 2022
EDINBURGH MAILBOX



COPE LTD.

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	N Jamieson T Simpson J Tait A Gair J Birnie M Nicolson M Barclay
Chief Executive Officer	S Coutts
Key Management Personnel	Sarah Jackson Alison Moar Debbie Main Steven Coutts
Charity number (Scotland)	SC028022
Company number	SC186555
Registered office	Port Business Park Gremista Lerwick Shetland ZE1 0TW
Auditor	RSM UK Audit LLP Chartered Accountants Third Floor 2 Semple Street Edinburgh EH3 8BL
Bankers	Bank of Scotland 117 Commercial Street Lerwick Shetland ZE1 0DN
Solicitors	Anderson Strathern North Ness Lerwick Shetland ZE1 0LZ

COPE LTD.

CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

We started 2021 still in the midst of the Covid 19 pandemic, which meant only the staff came back in January and the participants remained home till February. Our retail premises also opened slightly later than planned.

February also saw the recruitment of two more members to our Board of Directors. This adds more stability and diversity to our Board and will ensure stronger governance as we move forward in the recovery from the pandemic and an increasingly challenging funding climate.

On the funding side, we secured grants from the Shetlands Islands Council Coastal Community Fund to help us purchase a new van for the Shetland Home Co and welfare facilities for the Garden Co, which both have been very well used so far. While Adapt and Thrive funding from FirstPort allowed us to recruit two additional staff roles in the year to support the recovery from the pandemic. We remain grateful to Shetland Islands Council, Shetland Charitable Trust and HIE for their continuing support.

In August our CEO Ingrid Webb left us after nearly 10 years in charge of the organisation, we will remain extremely grateful for the commitment and dedication that she has shown to the organisation from her first day till the last. That COPE is a warm, caring environment where participants can find work placements to suit THEIR capabilities is down to her and her staff.

Towards the end of the year, we started the task of recruiting a new CEO, with a new appointment made in January 2022.

We as Directors would like to take this opportunity to thank all the management and staff for their help and commitment to COPE through the upheaval and challenges of the Covid pandemic.



N Jamieson
Chair

7 September 2022

COPE LTD.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company was incorporated on 8 June 1998 as a company whose members' liability is limited by guarantee, the company having no share capital. The company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

RECRUITMENT AND APPOINTMENT OF DIRECTORS

Membership of COPE Ltd ("COPE") is made up from representatives of the entire Shetland Community who have expressed an interest in, and support for the principles and the activities of the organisation. There is provision in the Memorandum and Articles for eight directors to be elected and COPE has currently six directors selected and elected from the Shetland Community with a range of experience including business management in the Highland and Islands. The management team features a number of highly skilled, motivated and experienced individuals, all of whom are committed to the principles, aims and objectives of the organisation. The Board continue to review processes with a view to strengthening governance arrangements.

DIRECTOR INDUCTION AND TRAINING

New directors are introduced to other board members and staff and we ensure that they are made fully aware of the responsibilities of the director's role.

ORGANISATION

The board of directors, which can have up to 15 members, administers the charity. The Board currently has 6 Directors. The board normally meets quarterly, or more frequently in special circumstances, and is responsible for major policy decisions. The Chief Executive Officer is appointed by the directors to manage the day-to-day operations of COPE and has delegated authority, as approved by the directors, for operational matters including finance, staffing and sales, over the various sectors of the business. The board welcomes suggestions from senior management in respect of improving the performance of the charity.

THE MISSION STATEMENT OF COPE

COPE is committed to supporting adults with learning difficulties, to fulfil their expressed need to participate in productive community enterprises. These enterprises enable members of the target group to realise their full potential as members of the community, and thereby help to change perceptions about "disability".

COPE VISION AND OBJECTIVES

COPE believes that everyone regardless of disability should have the opportunity to work. Given the right conditions, all adults have the potential to contribute to the local economy and in so doing will learn to value themselves and others. COPE's objectives are set out in detail in the Memorandum of Association, specifically the relief of poverty and distress of adults with learning difficulties in Shetland by aiding them to advance into employment. To this end COPE will focus on the abilities and experience of each individual rather than on their disability.

COPE LTD.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

ACTIVITIES & ACHIEVEMENTS REVIEW

Community Opportunities for Participation in Enterprise (COPE) is registered as a Company limited by Guarantee and with charitable status (Co No: SC186555). It fulfils a diverse range of social, environmental, and economic aims, and is able to achieve this through a variety of trading activities in the market place.

COPE has been at the forefront of the promotion of social inclusion in Shetland as well as working with a number of key stakeholders and ensuring that there are sustainable employment and skill development opportunities for all participants involved with COPE's activities. The awareness of COPE and its enterprises is high throughout Shetland and Scotland, and this assists COPE Ltd to seek a high market share locally and nationally.

COPE currently employs 18 full time and 30 part time staff, 6 of whom have learning disabilities. In addition, we provide 100 participant skill development sessions per week for people with disabilities who assist with the enterprise activities as well as gaining important work skills for themselves. Each session is 3.5 hours long and spans each of the business units.

We continually assess individual's development within the work environment and tailor each individual's program to focus on the development of core skills including:

- Planning and organising
- Teamwork
- Communication skills
- Literacy and numeracy
- Self-awareness
- Confidence
- Decision making

COPE formally recognises individual's development through the ASDAN Awards System. It offers programmes and qualifications that explicitly grow skills for learning, employment and life. ASDAN is an awarding body well recognised and approved by bodies including SQA and UCAS and is used in over 30 countries throughout the world.

As a registered centre we have chosen to adopt the WorkRight programme which formalises and develops basic employability skills.

WorkRight develops and improves existing employability skills. It has been designed to be carried out in a workplace setting. Its units focus on what an employer looks for in an employee:

- Punctuality and reliability
- Working well with others
- Completing tasks safely to the required standards
- Appreciating roles and responsibilities

We work to encourage people to feel valued and reduce social isolation. Our business includes the following units:

Shetland Kitchen Co. / Shetlandeli

Shetland Kitchen Co supply freshly prepared products to various local organisations. Shetland Kitchen Co also provides a service for conferences, weddings and lunch time buffets. Shetlandeli, compliments the existing Shetland Kitchen Co by producing small handmade batches of high quality chutney and relishes which are sold at various outlets within Shetland.

Shetland Home Co.

The Shetland Home Co plays an integral and vital role within the island community by contributing to the reduction of waste. The Shetland Home Co includes a retail area focusing on home wares with a strong emphasis on using recycled furniture and electrical goods. The Shetland Home Co is also a Revolve Certified Store with EFQM accreditation.

COPE LTD.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Shetland Garden Co.

Shetland Garden Co continues to provide a wide variety of plants, garden furniture, garden ornaments, trees & shrubs for sale to the public.

Shetland Soap Company

The Shetland Soap Company is a successful handmade soap and skincare manufacturer, wholesaler and retailer, creating exclusive products using traditional and contemporary methods with an emphasis on natural ingredients and herbal therapy.

ECONOMIC CLIMATE AND FINANCIAL REVIEW

Our total income for the year was £1,183,961 compared to £1,115,734 for the year to 31 December 2020. Of this income, £478,177 came from our enterprise activities in 2021 which represents 40% of total income (period to 31 December 2020 – 29%). Total expenditure for the year was £1,121,799 giving a net increase in reserves for the year of £62,162. After the capital reserve transfer this is a net increase of £45,547 in unrestricted income reserves and a net decrease of £1,271 in restricted income funds. At 31 December 2021 total funds were £732,860 (December 2020 - £670,698) of which £17,646 were restricted (December 2020 - £18,917).

Our main funders are the Shetland Charitable Trust and Shetland Islands Council. Within 2021 COPE Ltd has worked hard to boost its financial sustainability and lessen its reliance on grant funding. Good progress has been made in increasing self-generated funds for the other business units and plans to develop this further in 2022 are in place.

FUTURE PLANS

Financial sustainability remains a high priority for the organisation despite a highly challenging grant funding culture, increasing costs of operation, and wider economic challenges associated with the cost of living crisis and consumer demand. We continue our commitment to our Memorandum and Articles strengthening our intention to focus our efforts on our core business, and continuing to provide a range of quality sustainable employment skill development opportunities for people with disabilities within our local community.

Our Aims and Objectives for 2022 are as follows:

1. Extend the reach of COPEs social impact to tackle inequalities and the promotion of inclusion
2. Encourage the pursuit of skill development opportunities for all within COPE Ltd
3. Ensure the efficient and effective governance of COPE Ltd
4. Engage in the pursuit of business growth opportunities to sustain and grow the financial sustainability of COPE Ltd
5. Contribute to the National development of social enterprise as a business model

DESIGNATED RESERVES

Designated funds have been reviewed in 2021 by the directors for the particular areas of expenditure as follows:

Building Maintenance (£10,478) – the building maintenance fund covers ongoing maintenance costs.

Compliance HR/Legal (£10,000) - the compliance/ HR/ legal designated fund is required for processes such as Quality Management and Strategic Risk Management.

Scale and Growth (£59,595) – business cases are being developed for growth of both the Shetland Soap Company and Shetland Home Co. Part of this fund will be used in late 22/early 2023 in line with business case requirements.

Transport infrastructure (£10,000) – the kitchen/delivery van is predicted to need replacement in late 2022.

ICT Development (£10,000) – there has become a need to update and develop the ICT network in the organisation. A designated fund has been created to fund this work.

COPE LTD.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

RESERVES POLICY

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity, which have not been designated for any other purpose. Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by funders or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

COPE directors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between 3 and 6 months of the expenditure.

Actual expenditure for 2021 was £1,121,799 and therefore the target is £280,450 to £560,900 in general unrestricted funds. The reserves are needed to meet the working capital requirements of the charity and the directors are confident that at this level they would be able to mitigate, over the short term, the effect on participants of any further cut in funding. The present level of reserves available to the charity of £157,356 therefore falls short of this target level, although the strategy is to continue to build reserves through planned operating surpluses, while recognising the difficulties in increasing reserves in the current climate.

PAY POLICY FOR SENIOR STAFF

The pay structure of senior management has been reviewed, with the agreement that no increase in pay levels were approved in 2021.

RISK MANAGEMENT

The directors confirm that the major risks to which the charity is exposed have been considered and reviewed within Risk Register.

TRUSTEE INDEMNITY INSURANCE

The Board has in place appropriate trustee indemnity insurance cover, arranged with Marsh Commercial via insurance agents Axa.

RELATED PARTIES

All directors give of their time freely and no director received remuneration during the period. Details of directors' expenses are disclosed in the notes to the accounts. Any connection between a director or senior management of COPE and any party providing services to COPE must be disclosed to the full board of directors.

N Jamieson, who is a director of COPE Ltd, operated as NJ Builders during the period.

All transactions between the above related parties and COPE Ltd were at normal market prices.

COVID 19

COPE Ltd was closed in early January 2021 in response to the state of the pandemic at that point in time. COPE Ltd accessed Covid related support during the year, including CJRS, and also regularly reviewed and updated its Covid 19 work plan.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charitable company is a company limited by guarantee, the company having no share capital.

The directors who served during the year and those who served up to date of signing were:

N Jamieson

M Sim

(Resigned 31 March 2022)

T Simpson

J Tait

A Gair

(Appointed 16 March 2021)

J Birnie

(Appointed 21 February 2021)

M Nicolson

(Appointed 18 November 2021)

M Barclay

(Appointed 1 June 2022)

COPE LTD.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

AUDITOR

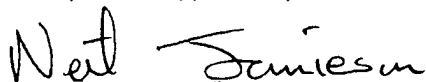
The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the Statement of Recommended practice: Accounting and Reporting by Charities (FRS 102) and in accordance with the small companies regime.

The directors' report was approved by the Board of Directors.



N Jamieson

Chair

Dated: 7 September 2022

COPE LTD.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

The directors, who also act as trustees for the charitable activities of COPE Ltd, are responsible for preparing the Directors' 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 directors 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that 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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPE LTD.

Opinion on financial statements

We have audited the financial statements of COPE Ltd. (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPE LTD. (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report prepared for the purposes of company law and included within the annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report, included within the annual report, and from the requirements to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPE LTD. (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to new or unusual transactions which may not be in accordance with charity law, inspecting board minutes and confirming there had been no correspondence with OSCR in the period.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Health and Safety and relevant industry specific standards including European cosmetic regulations. Also significant are the Data Protection Act 1998 and the Protection of Vulnerable Groups (Scotland) Act 2007. We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations and inspected policies and procedures in place and the related audit reports carried out by external specialist advisors.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates. We have also carried out substantive analytical procedures and tested controls for revenue.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPE LTD. (CONTINUED)

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body, and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Adams

Kelly Adams MA(Hons) CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

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14/09/22

COPE LTD.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted income funds £	Restricted income funds £	Restricted Capital funds £	Total 2021 £	Total 2020 £
<u>Income from:</u>						
Donations	2	3,273	-	40,692	43,965	5,851
<u>Incoming resources from charitable activities</u>						
Social Enterprise Activity	3	545,869	568,071	-	1,113,940	967,770
Investment income	4	23	-	-	23	44
Furlough income		26,033	-	-	26,033	142,069
Total income and endowments		575,198	568,071	40,692	1,183,961	1,115,734
<u>Expenditure on:</u>						
<u>Charitable activities expenditure</u>						
Social Enterprise Activity	5	552,457	569,342	-	1,121,799	1,015,265
Total charitable expenditure		552,457	569,342	-	1,121,799	1,015,265
Net incoming/(outgoing) resources before transfers		22,741	(1,271)	40,692	62,162	100,469
Gross transfers between funds	21	22,806	-	(22,806)	-	-
Net movement in funds		45,547	(1,271)	17,886	62,162	100,469
Total funds brought forward		281,822	18,917	369,959	670,698	570,229
Total funds carried forward		327,369	17,646	387,845	732,860	670,698

The statement of financial activities includes all gains and losses recognised in the year. Income is recognised in line with charity accounting requirements and may cover more than one financial year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

COPE LTD.**BALANCE SHEET****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	10		3,701		6,342
Tangible assets	11		454,083		425,148
Investments	12		1		1
			<u>457,785</u>		<u>431,491</u>
Current assets					
Stocks	13	87,074		78,534	
Debtors	14	29,603		22,499	
Cash at bank and in hand		542,318		490,394	
		<u>658,995</u>		<u>591,427</u>	
Creditors: amounts falling due within one year	15	<u>(301,699)</u>		<u>(255,257)</u>	
Net current assets			357,296		336,170
Total assets less current liabilities			815,081		767,661
Creditors: amounts falling due after more than one year	16		(82,221)		(96,963)
Net assets			<u>732,860</u>		<u>670,698</u>
Capital funds					
Restricted capital	19		387,845		369,959
Income funds					
Restricted funds	20		17,646		18,917
Unrestricted funds	21		327,369		281,822
			<u>732,860</u>		<u>670,698</u>

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

The financial statements were approved and authorised for issue by the Directors on 7 September 2022

Nat Jamieson

N Jamieson
Chair

COPE LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	23		124,070		193,300
Investing activities					
Purchase of intangible assets		(1,000)		-	
Purchase of tangible fixed assets		(61,595)		(8,237)	
Interest received		23		44	
Net cash used in investing activities			(62,572)		(8,193)
Financing activities					
Proceeds from borrowings		-		50,000	
Repayment of borrowings		(5,000)		-	
Repayment of bank loans		(4,574)		(4,365)	
Net cash (used in)/generated from financing activities			(9,574)		45,635
Net increase in cash and cash equivalents			51,924		230,742
Cash and cash equivalents at beginning of year			490,394		259,652
Cash and cash equivalents at end of year			542,318		490,394

COPE LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

COPE Ltd. is a private company limited by guarantee incorporated in Scotland. The registered office is Port Business Park, Gremista, Lerwick, Shetland, ZE1 0TW.

Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

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

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

COPE Ltd has a subsidiary, The Shetland Soap Company Limited, however as this company is dormant no group accounts have been prepared.

Going concern

The income generated from the charity's operation is not sufficient to cover all operating costs, and the charity is therefore dependent on the receipt of grants from external bodies. The charity has secured funding to 31 March 2022 from the Shetland Charitable Trust, and the Shetland Islands Council under the supported employment contract. Shetland Charitable Trust have also made a provisional grant offer to 31 March 2025. Shetland Islands Council funding is also expected to continue at the same level.

The impact of COVID-19 during the year was a reduction in enterprise income for the charity but this shortfall was covered by the furlough scheme and other additional grant support. A surplus was achieved and this has left the charity with the cash and reserves to support its activities in the short to medium term. The management team have prepared budget projections which have been extended to 12 months from the date of approval of the financial statements. These show there will be sufficient cash, based on expected income and expenditure levels. The key assumptions underpinning these forecasts are the level of enterprise income earned and the receipt of funding from the Shetland Islands Council. The anticipated level of enterprise income is based on current experience, showing a slow return to a more normal position. As noted above there is funding security due to the support from the main funding bodies SCT and SIC.

Based on the Charity's forecasts and the anticipated outcome of the matters described, the directors have concluded that there is a reasonable expectation that the Charity has adequate financial resources to operate for at least 12 months from the date of approval of the financial statements. Accordingly, the financial statements of the Charity have been prepared on a going concern basis.

Charitable funds

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

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the grantor.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Incoming resources

Income including capital grants is included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the funds;
- it is probable the income will be received;
- the monetary value can be measured with reasonable accuracy; and
- any performance conditions attaching to the income have been satisfied.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Furniture and other items donated for resale through the charity's home company are included as incoming resources within enterprise income.

Investment income is included when receivable and consists of interest receivable on bank accounts.

Incoming resources from charitable enterprise projects are accounted for when earned.

Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Charitable activities include expenditure associated with enterprise projects undertaken for the furtherance of the charity's objectives and beneficiaries and include both the direct costs and support costs relating to these activities.

Governance costs are included in charitable activities and include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs are included in charitable activities and include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. per capita, and other costs by their usage.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years
Intellectual property	2 years
Website	5 years

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Depreciation is provided on all tangible fixed assets using the straight line basis so as to write off the asset cost less estimated residual value over its anticipated useful life, or shorter of lease term. The following rates of depreciation have been used:

Freehold Land and buildings	0 - 10%
Short Leasehold Land & Property	0 - 10%
Plant and machinery	20 - 33%
Motor vehicles	20%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Fixed asset investments

Fixed asset investments are stated at cost less any provision for diminution in value.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Stocks

Stocks of finished goods and raw materials and consumables are valued at the lower of cost and net realisable value. The cost of stocks of finished goods are measured at standard cost. The cost of raw materials and consumables are measured at most recent purchase price on a first in, first out basis.

Due to the high volume of low value items it is impractical to estimate the fair value of donated items of stock for resale. The charity therefore takes advantage of the exemption in Charities SORP (FRS 102) 6.29 and does not recognise these items on receipt. Instead, the value to the charity of the donated goods is recognised as income when sold.

Cash and cash equivalents

Cash at bank and cash 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.

Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

The charity only has financial assets 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.

Trade and other debtors are recognised at the settlement amount due 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 (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Basic financial liabilities

The charity only has 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.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The charity makes defined contributions to personal pension plans of employees. The amounts charged against income represent the contributions payable to the plans in respect of the accounting period.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element is charged to income and expenditure account over the period of the agreement. Rentals under operating leases are charged to the income and expenditure account when paid.

2 Donations

	Unrestricted funds £	Restricted Capital funds £	Total 2021 £	Total 2020 £
Donations and gifts	3,273	-	3,273	4,254
Capital grants	-	40,692	40,692	1,597
	<u>3,273</u>	<u>40,692</u>	<u>43,965</u>	<u>5,851</u>
For the year ended 31 December 2020	<u>4,254</u>	<u>1,597</u>		<u>5,851</u>
Donations and gifts				
Other donations received	2,290	-	2,290	1,589
Gift aid claims	983	-	983	2,665
	<u>3,273</u>	<u>-</u>	<u>3,273</u>	<u>4,254</u>

Capital grants are recognised in respect of new van and Garden Co equipment purchased.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Incoming resources from charitable activities

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Enterprise income	478,177	-	478,177	320,401
Grants	-	568,071	568,071	605,830
Charitable rental income	10,692	-	10,692	9,039
Government grants	57,000	-	57,000	32,500
	<u>545,869</u>	<u>568,071</u>	<u>1,113,940</u>	<u>967,770</u>
Performance related grants				
Shetland Charitable Trust	-	233,739	233,739	198,718
Shetland Islands Council contract	-	302,600	302,600	302,600
The Robertson Trust	-	-	-	13,000
Highlands and Islands Enterprise	-	10,740	10,740	11,023
DYP grant	-	-	-	8,400
Resilience Fund - First Port	-	20,992	20,992	72,089
	<u>-</u>	<u>568,071</u>	<u>568,071</u>	<u>605,830</u>

Government grants relates to the Coronavirus Small Business grant.

4 Investment income

	2021 £	2020 £
Interest receivable on bank accounts	<u>23</u>	<u>44</u>

5 Charitable activities expenditure

	2021 £	2020 £
Social enterprise activities undertaken directly	958,880	794,829
Support costs (see note 6)	<u>162,919</u>	<u>220,436</u>
	<u>1,121,799</u>	<u>1,015,265</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Support costs

	Support costs	Governance costs	2021	2020	Basis of allocation
	£	£	£	£	
General office costs	29,342	-	29,342	32,438	Staff
Management allocation	71,154	-	71,154	117,099	Staff
Office costs	23,723	-	23,723	27,970	Usage
Legal and professional	8,213	-	8,213	15,154	Usage
Finance costs	11,896	-	11,896	10,030	Usage
Audit fees	-	16,371	16,371	14,750	Governance
Accountancy	-	2,220	2,220	2,995	Governance
	<u>144,328</u>	<u>18,591</u>	<u>162,919</u>	<u>220,436</u>	

7 Net movement in funds

	2021	2020
	£	£
Net movement in funds is stated after charging		
Interest payable	2,503	2,169
Fees payable to the company's auditor for the audit of the company's financial statements	16,371	14,750
Depreciation of owned tangible fixed assets	26,008	13,951
Depreciation of tangible fixed assets held under operating leases	6,652	6,260
Amortisation of intangible assets	3,641	3,310
Cost of stocks recognised as expenses	<u>95,157</u>	<u>79,884</u>

8 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Employees

Number of employees

The average monthly number employees during the year was:

	2021 Number	2020 Number
Management and administration	6	7
Enterprise projects - staff and supported employees	42	38
Enterprise projects - participants total	19	22
	<u>67</u>	<u>67</u>

Employment costs

	2021 £	2020 £
Wages and salaries	658,437	629,021
Social security costs	35,476	42,052
Other pension costs	24,925	26,279
	<u>718,838</u>	<u>697,352</u>
Participants' reimbursements	5,358	2,095
	<u>724,196</u>	<u>699,447</u>

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Intangible fixed assets

	Software	Intellectual property	Website	Total
	£	£	£	£
Cost				
At 1 January 2021	3,990	4,872	9,970	18,832
Additions	-	1,000	-	1,000
At 31 December 2021	3,990	5,872	9,970	19,832
Amortisation and impairment				
At 1 January 2021	2,634	4,872	4,984	12,490
Amortisation charged for the year	1,317	330	1,994	3,641
At 31 December 2021	3,951	5,202	6,978	16,131
Carrying amount				
At 31 December 2021	39	670	2,992	3,701
At 31 December 2020	1,356	-	4,986	6,342

Amortisation is charged to charitable activities.

11 Tangible fixed assets

	Freehold Land and buildings	Short Leasehold Land & Property	Plant and Motor vehicles machinery	Total
	£	£	£	£
Cost				
At 1 January 2021	306,695	271,497	145,366	757,356
Additions	-	-	33,889	61,595
Disposals	-	-	(22,637)	(22,637)
At 31 December 2021	306,695	271,497	179,255	796,314
Depreciation and impairment				
At 1 January 2021	78,521	85,122	134,767	332,208
Depreciation charged in the year	7,401	6,652	13,066	32,660
Eliminated in respect of disposals	-	-	(22,637)	(22,637)
At 31 December 2021	85,922	91,774	147,833	342,231
Carrying amount				
At 31 December 2021	220,773	179,723	31,422	454,083
At 31 December 2020	228,174	186,375	10,599	425,148

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2021 & 31 December 2021	1
Carrying amount	
At 31 December 2021	1
At 31 December 2020	1

The investment above is in 100% of the ordinary share capital of Shetland Soap Company Limited, a dormant company with registered address Port Business Park, Gremista, Lerwick, ZE1 0TW.

13 Stocks	2021 £	2020 £
Raw materials and consumables	87,074	78,534

14 Debtors	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	20,616	11,392
Prepayments and accrued income	8,987	11,107
	29,603	22,499

15 Creditors: amounts falling due within one year		2021 £	2020 £
	Notes		
Bank loans	17	4,691	4,523
Other borrowings		10,000	5,000
Trade creditors		22,886	36,453
Amounts due to subsidiary undertakings		1	1
Other taxation and social security		48,685	47,124
Deferred income	18	187,978	140,640
Other creditors		23,055	21,516
Pension contributions payable		4,403	-
		301,699	255,257

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	17	47,221	51,963
Other borrowings		35,000	45,000
		<u>82,221</u>	<u>96,963</u>

17 Borrowings

	2021 £	2020 £
Bank loans	51,912	56,486
Other loans	45,000	50,000
	<u>96,912</u>	<u>106,486</u>
Payable within one year	14,691	9,523
Payable after one year	<u>82,221</u>	<u>96,963</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>26,482</u>	<u>36,909</u>

The bank loan is secured by:

- Standard security over 111 Commercial Street & 1/2 Albert Court (Known as Pirate Lane) Lerwick, Shetland
- Bond and floating charge over the whole assets of the company

The loan financing is in the form of a secured 15 year loan, from November 2016. It is at a variable rate 3.4% above base rate. All repayments are in instalments.

The £50,000 bounce back loan is repayable in instalments over 5 years and incurs interest at 2.5% from July 2021.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Deferred income

Included within creditors are deferred grants from Shetland Charitable Trust, Shetland Islands Council and First Port (2020 - Shetland Charitable Trust, Shetland Islands Council and First Port) in relation to future year's funding. These grants have been deferred because they are subject to performance related conditions and do not run concurrent to the accounting year. As the charity is liable to deliver a service in the next year then the corresponding income is deferred until the performance conditions have been met.

The full amount of deferred income from 2020 was released to income in the year.

	2021 £	2020 £
Deferred income arising from government grants	187,978	140,640

19 Capital funds

The restricted capital fund relates to costs to maintain and replace fixed assets. The balance is being reduced as the assets depreciate by transferring an equivalent amount between capital funds and unrestricted funds.

	Balance at 1 January 2021 £	Movement in funds			Balance at 31 December 2021 £
		Incoming resources £	Resources expended £	Transfers £	
Restricted capital fund	369,959	40,692	-	(22,806)	387,845
	369,959	40,692	-	(22,806)	387,845

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021 £	Movement in funds		Balance at 31 December 2021 £
		Incoming resources £	Resources expended £	
Shetland Charitable Trust fund	-	233,739	(233,739)	-
Restricted income funds	-	31,732	(31,732)	-
Restricted participant donations	18,917	-	(1,271)	17,646
Shetland Islands Council fund	-	302,600	(302,600)	-
	<u>18,917</u>	<u>568,071</u>	<u>(569,342)</u>	<u>17,646</u>

The Shetland Charitable Trust provides funding towards the following expenditure:

- Chief Executive Officer, Business Manager, Employability Manager and administration and finance staff salaries
- Premises costs of the main office of rent, rates and heat and light
- Audit and accountancy fees

Restricted income funds are funds which are to be used in accordance with specific restrictions imposed by funders or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Shetland Islands Council funds are used to provide a minimum of 100 skills development sessions per week.

Restricted participant donations were previously given for a Whalsay project which was cancelled. The donors gave their permission for the money to be retained provided that it was spent on the participants. The expense relates to events and gifts to participants.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Unrestricted funds

The income funds of the charity include unrestricted general funds and the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2021	Movement in funds			Balance at 31 December 2021
	£	Incoming resources £	Resources expended £	Transfers £	£
Designated					
Pension costs	10,000	-	-	(10,000)	-
Building maintenance	10,468	10	-	-	10,478
Compliance / HR / Legal	10,000	-	-	-	10,000
Scale and Growth resources	59,595	-	-	-	59,595
Transport infrastructure	10,000	-	-	-	10,000
ICT Development	-	-	-	10,000	10,000
Capital assets funded internally	61,531	-	-	8,409	69,940
Unrestricted					
Unrestricted general funds	120,228	575,188	(552,457)	14,397	157,356
	<u>281,822</u>	<u>575,198</u>	<u>(552,457)</u>	<u>22,806</u>	<u>327,369</u>

Designated funds have been reviewed this period by the directors for the particular expenditure noted below.

- The pension designated fund has been transferred back to unrestricted funds.
- The building maintenance fund covers ongoing maintenance costs, this has been increased in the year to £10,478.
- The compliance/ HR/ legal designated fund is required for processes such as Quality Management and Strategic Risk Management. There has been no movement in the year.
- Scale and growth: Business cases are being developed for growth of both the Shetland Soap Co and Shetland Home Co. Part of this fund will be used late 22/ early 23 in line with business case requirements.
- Transport infrastructure: The kitchen/delivery van is predicted to need replacement in late 2022.
- ICT development: There has become a need to update and develop the ICT network in the organisation. A designated fund has been created to fund this work.

22 Analysis of net assets between funds

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total £
Fund balances at 31 December 2021 are represented by:				
Intangible fixed assets	-	-	3,701	3,701
Tangible assets	69,939	-	384,144	454,083
Investments	1	-	-	1
Current assets/(liabilities)	339,650	17,646	-	357,296
Long term liabilities	(82,221)	-	-	(82,221)
	<u>327,369</u>	<u>17,646</u>	<u>387,845</u>	<u>732,860</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

23	Cash generated from operations	2021 £	2020 £
	Surplus for the year	62,162	100,469
	Adjustments for:		
	Investment income recognised in statement of financial activities	(23)	(44)
	Amortisation and impairment of intangible assets	3,641	3,310
	Depreciation and impairment of tangible fixed assets	32,660	20,860
	Movements in working capital:		
	(Increase)/decrease in stocks	(8,540)	18,474
	(Increase) in debtors	(7,104)	(517)
	(Decrease)/increase in creditors	(6,064)	24,498
	Increase in deferred income	47,338	26,250
	Cash generated from operations	124,070	193,300

24 Analysis of changes in net debt

	Balance at 1 January 2021 £	Cash flows £	Non cash movement	Balance at 31 December 2021 £
Cash and cash equivalents	490,394	51,924	-	542,318
Bank borrowings due within one year	(4,523)	4,574	(4,742)	(4,691)
Other borrowings due within one year	(5,000)	5,000	(10,000)	(10,000)
Total due within one year	(9,523)	9,574	(14,742)	(14,691)
Bank borrowings due after one year	(51,963)	-	4,742	(47,221)
Other borrowings due after one year	(45,000)	-	10,000	(35,000)
Total due after one year	(96,963)	-	14,742	(82,221)
Net debt	383,908	61,498	-	445,406

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

25 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	31,007	26,537
Between one and five years	114,070	106,149
In over five years	54,048	67,890
	<u>199,125</u>	<u>200,576</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>134,100</u>	<u>158,582</u>

The key management personnel are defined as the CEO, Business and HR Manager, Employability Development Manager and Finance Manager.

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2021 £	2020 £	2021 £	2020 £
Other related parties	-	47	2,841	2,160
	<u>-</u>	<u>47</u>	<u>2,841</u>	<u>2,160</u>

Other related parties include NJ Builders and Shaw Marketing and Design Limited. They are related due to the fact that they are controlled by directors of COPE Ltd. £2,841 of purchases relate to NJ Builders for 2021.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

26 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2021	2020
	£	£
Other related parties	-	360
	<u> </u>	<u> </u>

27 Contingent liabilities

There are contingent liabilities to pay back any grants received if conditions are breached. The grantors may also ask for money back if they deem too large a surplus has been made.