

CLARO ENTERPRISES

England & Wales · Charity number 1000903

Details

Status Registered

Legal form Charitable company

Company number [02450753](#)

Registered 1990-11-13

Register [View on the Charity Commission register](#)

Contact

Address Claro Enterprises
Spa Court
Spa Lane
Harrogate
HG2 7JF

Phone 01423885879

Email post@claroenterprises.co.uk

Website www.claroenterprises.co.uk

Activities

Objects: THE OBJECTS ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:4.1 THE RELIEF OF POVERTY AND DISTRESS AMONG SUFFERERS FROMSCHIZOPHRENIA AND MENTAL ILLNESS GENERALLY; AND4.2 TO ADVANCE THE EDUCATION OF PERSONS SUFFERING FROM SCHIZOPHRENIAOR OTHER MENTAL ILLNESS AND IN PARTICULAR TO PROMOTE, PROVIDE ANDSUPPORT SCHEMES WHERE SUCH PERSONS MAY RECEIVE TRAINING IN ASUPPORTIVE AND SUPERVISED ENVIRONMENT.

Activities: Provide a sheltered workshop facility for those suffering from long term severe and enduring mental health problems inc. schizophrenia and manic depression. To provide meaningful work for sufferers. To provide information and support for sufferers and carers and support other organisations statutory and voluntary working in the same field.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** People With Disabilities

Geography

- North Yorkshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£259,722	£237,194	-	-
2024-03-31	£237,355	£229,819	-	-
2023-03-31	£176,151	£188,685	-	-
2022-03-31	£185,130	£187,349	-	-
2021-03-31	£221,351	£155,211	-	-

Trustees

Name	Role	Appointed
James Atkins	Chair	2016-01-16
CHRISTOPHER B BROWN		1990-12-12
Colin William Reid		2014-07-01
David James Kettle		2024-01-18
FRANCES SUSAN BROWN		
MARGARET JEAN SCOTT ARCHER		
Philip John Brown		2023-05-17
Pippa Jean Robson		2022-02-01
Victoria Kathryn Oldham		2023-05-17

CLARO ENTERPRISES

England & Wales - Charity number 1000903

Accounts

REGISTERED COMPANY NUMBER: 02450753 (England and Wales)
REGISTERED CHARITY NUMBER: 1000903

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
FOR
CLARO ENTERPRISES**

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

CLARO ENTERPRISES

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Page
Report of the Trustees	1 to 10
Independent Examiner's Report	11
Statement of Financial Activities	12
Balance Sheet	13 to 14
Notes to the Financial Statements	15 to 23

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Purposes and Aims

The charity's purposes as set out in the objects contained in the company's Memorandum of Association are to:

- relieve poverty and distress among sufferers from schizophrenia and mental illness generally
- advance the education of persons suffering from schizophrenia or other mental illness and in particular to promote, provide and support schemes where such persons may receive training in a supportive and supervised environment.

The aims of our charity are to:

- improve the quality of life and self esteem of those suffering from severe and enduring mental health problems
- listen to our service users and respond to their changing requirements
- support service users by creating a working environment which is as realistic as possible
- fulfil obligations to service users as set out in the Community Care Agreement we have with North Yorkshire County Council.

Ensuring our work delivers our aims

We review our aims, objectives and activities on an ongoing basis. We consider what we have achieved, what has not gone so well and what changes need to be considered to ensure we remain focused on our stated purposes.

A principal concern for the Trustees is to maintain our support for our present service users and to develop in a way which enhances the sustainability of our service.

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives of the charity and enable it to meet its charitable purposes for the public benefit.

The focus of our work

The present focus of our work is to:

- provide a community facility for those suffering from long term severe and enduring mental health problems including schizophrenia and bipolar disorder
- provide meaningful work related activity for sufferers
- provide information and support for sufferers and their carers
- support other organisations working in the same field

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

OBJECTIVES AND ACTIVITIES

How our activities deliver public benefit

All our charitable activities focus on helping and supporting our service users.

In the year covered by this report Claro Enterprises provided the following activities and services for its beneficiaries:

- a variety of activities and opportunities to learn new skills, including woodworking, packaging and light assembly
- training and supervision on the use of equipment and machinery and first aid
- developed an externally accredited in-house training program for beneficiaries in Employment Skills
- through partnerships with other local charities engaged in similar and complementary activities
- a supportive and structured environment where beneficiaries gain genuine work experience and opportunities to socialize and gain confidence
- supported work experience to help beneficiaries access volunteering and employment in external businesses and organizations
- a forum for beneficiaries to discuss and share their ideas, concerns and future requirements
- accommodation, equipment, personnel, volunteers and training to maintain a Men's Shed and a Women's Shed for Starbeck
- development of the Route 1 Partnership which consists of four local charities which provide a wide range of complementary activities and support services. Route 1 employs a coordinator who acts as a single point of referral for Social Prescribers based in GP practices and the Community Mental Health Team
- employment of a dedicated mental health worker who focuses on building service user confidence and self esteem to support and encourage people to try activities, education or work which match interests, skills and experience.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

OBJECTIVES AND ACTIVITIES

Our management and staff liaise closely with other agencies and charities to ensure that the needs of service users are met and that new potential service users are made aware of Claro and its services. One of the principal benefits of our work is reduced dependence on primary and secondary health care services by our service users.

Who used and benefited from our services

Claro has provided long-term support to over 35 people per week, supporting over 50 people over the year who have severe and enduring mental health issues. Claro receives over 40 referrals per year through the Route One mental health partnership some of whom require short term intervention whilst others require longer term support. Together with those attending Men's Shed activities Claros weekly attendance is in excess of 50.

Route One expanded its referral pathways this year, there are now 4 pathways

- 1 Social Prescribers - based in GP surgeries
- 2 First Contact Mental Health Workers - Based in GP surgeries
- 3 Community Mental Health Team (Adult)
- 4 Community Mental Health Team (Older People)

Route One is currently being supported financially by Transforming Mental Health Funding via TEWV NHS trust, future funding for these pathways has not been confirmed but is expected to continue.

Wellbeing data is gathered by the Route One coordinator with 78% of people coming through showing an improvement in their wellbeing score during placements.

This year's client survey highlighted the significant positive impact of Claro Enterprises on people living with enduring mental health challenges. Respondents reported that Claro enhances confidence, reduces loneliness, improves productivity, and provides vital structure and support. The majority praised the staff, frequently describing them as "helpful," "friendly," and "positive." Importantly, 78% of clients stated that attending Claro reduced their reliance on other health services, demonstrating both improved wellbeing and a reduction in pressure on statutory provision.

Clients value Claro's safe, productive environment, which fosters social engagement, routine, and meaningful activity. Many participants reported improved self-esteem, confidence, and the development of supportive friendships with others who share similar experiences. Claro's collaborative approach, working with statutory and voluntary partners including the NHS, Council services, and the Route One partnership, ensures clients are effectively signposted when needed. Overall, the survey confirms that Claro provides life-changing support in a community setting.

Previous comments included :

"This place is great. Claro is a safety net. People here are where you feel good about yourself helps me to accept my mental health"

"It has helped me, very much so....a friendly place and I would not change anything. I am getting better, worried that I could be turned away when fully well...I would miss it if I could not come"

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

FINANCIAL REVIEW

Financial position

Our principal concern is the continued wellbeing of our service users and their development such that they can take up positions in the regular employment market. Where possible and appropriate Claro continues to offer paid employment to people with lived experience of mental health issues, with one person employed long term in a skilled supervisory role.

Claro is pleased to be able to extend its offer this year to include the provision of accredited qualifications to beneficiaries whilst on placement. The Masonic Charitable Foundation has supported this initiative with a £15,000 grant (£3,000 per annum over 5 years) to establish an externally accredited learning program at Claro with four people on course to complete an Employability Qualification in May 2025.

The Men's Shed is thriving and has at times throughout the year reached a maximum capacity level, a huge commendation to the volunteers who lead this group and welcome new members. As a result of this over subscription the Men's Shed has developed a separate beginner's woodworking group which has been very successful in training new members and integrating people who would otherwise not have had the confidence to become Men's Shed members. During the year the Women's Shed ceased to operate from Claro premises.

Trading income has continued to increase this year with income in excess of £80,000 although profits are still lower than pre-covid levels due to increased overheads and material costs. Claro has continued to explore opportunities to extend commercial income and has succeeded in fundraising for an additional CNC machine which will enable a sustainable increase in commercial income. In addition, to mitigate the impact of increasing utilities bills Claro succeeded in fundraising for solar panels which have been fitted on the roof and already reduced bills are evident. Modifications to the building have included improved disabled access and plans are currently well advanced to provide fully accessible disabled toilets.

The management and Trustees continue to seek new customers and services both in woodwork and business services. Additional marketing support has been provided via one of the Trustees and more active engagement with local press, radio and television continues. Claro continues to develop new wood-based products which it is actively marketing. The contribution from the Men's Shed in developing and producing new products is very beneficial. Claro remains active in seeking grant and external financial support to reduce the dependence on NYCC funding.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

FINANCIAL REVIEW

Principal funding sources

Funding has been provided by North Yorkshire County Council via Individual Service Contracts. This funding has not kept pace with cost increases and its real value has been seriously eroded over the last few years. Following a period when the impact on Claro's financial position was minimal it is now apparent that the reduction in funding from this source is significantly lower in real terms.

Trustees and management have been active in engaging with NYCC to explore future funding and this effort has resulted in some helpful adjustments which have to some extent stemmed the ever downward funding from NYCC. However considering the overall financial position of NYCC, the trustees continue to have concerns about the ability of this source of funding to keep up with inflation and inevitable cost increases in areas such as wages and energy.

Claro continued to receive funding via Route One which supported the places allocated through this pathway. The funding was received from the 'Transforming Mental Health Care' programme. Claro's allocation is designed to integrate third sector organisations into mental health provision and is expected to be maintained over the next few years.

Claro has received grant funding from a number of funders this year and the Trustees are grateful to them all. Major donations have been received from:

Liz & Terry Bramall Trust (£15,000) - ongoing operational costs and supported unfunded places

Masonic Charitable Foundation (£15,000 - £3,000 pa x 5 years) - establishing Claro learning programme for beneficiaries

Two Ridings Foundation (Cost Of Living Fund £5,000 and Local Fund £3,000)

- ongoing operational costs and Cooking on a Budget course

R B Gray Trust (£1,000) - operational costs

Brigantia Ltd (£2,500) - operational costs

Police, Fire and Crime Commissioners Fund (£4,500) - provision of work and training to vulnerable people in contact with probation services

Charles and Elsie Sykes Trust (£37,500) - purchase, training and installation costs for new CNC router machine

North Yorkshire Council (£10,800) - purchase and installation of solar panels

The Charity depends on its trading activities as its other main source of funding and this income ensures financial viability and the continuation of the Charity.

We are grateful for the valuable support provided by all our funders both large and small and for the orders for goods and services received from our customers. Without this support the Claro would not be able to support the number of people it does.

Investment policy and objectives

The Charity does not have a formal investment policy. The Charity's principal asset is its building which it owns and the equipment which it contains.

Reserves policy

The Management Committee has, for many years, determined that reserves not invested in fixed tangible assets should cover at least the value of two years financial support received from NYCC. This is to mitigate against loss of core funding. In 2023 the Committee decided that with the falling value in real terms of the support from NYCC a more sustainable reserve policy would be to retain a sum of approximately two years of staff salaries plus an allowance for staff redundancy pay. The Committee considers that this is a prudent policy given the vulnerable nature of the beneficiaries as it ensures the continuation of the charity's work in the event that existing funding sources are lost. This policy is subject to regular review at least annually.

Reserves are held in a number of bank accounts and are reviewed regularly to ensure that they are below the threshold which is covered by the Financial Services Compensation Scheme.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

FUTURE PLANS

In the present economic climate, including cost of living increases and financial pressures on all public services we believe that continuing to deliver our core service is important as our service users are among the most vulnerable in society and their well being is very dependent on the Charity's existence.

We recognize that national policy is emphasizing mental health needs. During the year we continued discussions with North Yorkshire County Council about how Claro might develop its service in order to help more people in a wider variety of ways and these discussions will continue.

Claro is aware that the closure of patient beds in Harrogate has put more pressure on the Community Mental Health and crisis teams and day facilities such as Claro will become even more important than at present. Claro staff and Trustees are working hard to develop relationships with the relevant areas of health management to discuss how we might help.

The Route One Partnership has continued to flourish, connecting Claro with the people who need support more effectively than ever through now established referral pathways via GPs across the district and Community Mental Health Services as well as internal referrals between partner organisations. Over the next year the Partnership will continue to consider extending the pathways to other referring organisations. It is also going to continue to develop taking services into the rural communities in Harrogate District.

The Trustees acknowledge the financial challenges arising from reduced funding from NYCC, rising operational costs (including staffing, energy, and insurance), and a continued downturn in commercial activity. While these factors create pressures on Claro's medium-term sustainability (2-3 years), the Trustees remain committed to addressing them proactively. This situation is under careful and ongoing review, and the charity is actively exploring new opportunities and strategies to strengthen its resilience and ensure long-term stability.

Claro continues to monitor national and local developments in the area of mental health and well being with the aim of modifying and enhancing its services where appropriate. In particular we wish to further develop our individually tailored short term programmes for service users who could use Claro as a stepping stone back into the regular employment market.

We will continue the work we have started to increase staff flexibility and organizational capability through development and training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organization is a charitable company limited by guarantee, incorporated on 11th December 1989 and registered as a charity on 13th November 1990. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of management committee

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

Under the requirements of the Memorandum and Articles of Association one third of the Trustees, or the number closest to one third must resign at each AGM and may offer themselves for reelection if they wish.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were reclaimed from the charity by Trustees during the year.

The Trustees are:

Mrs Maggie Archer reelected in October 2023 - due to resign 2026
Mr James Atkins reelected in October 2024 - due to resign 2027
Mr Chris Brown reelected in October 2024 - due to resign 2027
Mr Philip Brown appointed in May 2023 - due to resign 2026
Mrs Susan Brown reelected in October 2023 - due to resign 2026
Mr David Kettle appointed in January 2024 - due to resign 2027
Ms Victoria Oldham appointed in May 2023 - due to resign 2026
Mr Colin Reid reelected in October 2022 - due to resign 2025
Ms Pippa Robson appointed February 2022 - due to resign 2025

Office Bearers are:

Mr James Atkins was reelected as Chair in October 2024
Mr Chris Brown was reelected as Deputy Chair in October 2024
Mrs Susan Brown was reelected as Secretary in October 2024
Ms Victoria Oldham was elected as Treasurer in October 2024

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Management Committee met ten times during the year using Microsoft Teams, as required, to enable attendance. Charity activities and finances are reviewed at these meetings.

The meetings are attended by:

- the trustees
- a representative of the service users
- Claro General Manager and other staff as required

Meetings between all Claro staff and at least three of the Trustees take place when requested by staff.

Minutes and the decisions made at these meetings are recorded.

Responsibilities of the Trustees

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources, including income and expenditure for the financial year.

In preparing those financial statements the Trustees have:

- selected suitable accounting policies and then applied them consistently
- made judgments and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements
- prepared the financial statements on the "going concern" basis
- considered the thresholds requiring independent auditing of the accounts and have satisfied themselves that Claro Enterprises is not required by law to have its accounts independently audited but that independent examination is required.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of control - financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are required to provide reasonable assurance that the charity is operating efficiently and its assets are safeguarded against unauthorized use or disposition, that proper records are maintained and that financial information used within the charity and for publication is reliable and that the charity complies with all relevant laws and regulations.

Members of the Management Committee

Members of the Management Committee, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on the first page of this report

As the company's directors, we certify that :

- so far as we are aware there is no relevant information of which the company's independent examiners are unaware
- we have taken all the steps we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's independent examiners are aware of that information.

Induction and training of new trustees

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the Management Committee and decision making processes, the business plan and recent financial performance of the charity. They are encouraged to attend suitable external training.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees confirm that the major risks to which the charity is exposed have been reviewed and systems have been considered and, where appropriate, established to mitigate those risks to the extent that they can reasonably be mitigated.

The principal risks are:

Organisational capacity and flexibility

Of necessity the charity operates with staffing levels which ensure service user safety and maximize efficiency. As a consequence, there is very little spare capacity. Most staff have been in position for a considerable number of years and have built deep levels of competence in their areas of responsibility. Prolonged periods of staff sickness or absence or staff resignations represent a significant risk to the charity as at present the flexibility of the staff is somewhat limited. There are some key roles which only one staff member can perform.

The Trustees are aware of this risk and during the year have provided training to supervisors - now business critical activities can be performed by at least two staff members. Ongoing consideration of required staff training and development to address this risk will continue through this coming year.

Financial

Any further reduction in core funding from North Yorkshire County Council would pose a significant risk to the charity. Continued liaison and cooperation with our funders helps us to demonstrate to them the value our services provide and their positive feedback is an encouragement.

Our previous reserves policy is designed to enable the charity to continue for a two to three year period should core funding be lost completely. The Trustees are of the view that the changes to funding in September 2019 coupled with the ongoing challenging commercial environment will result in more financial pressure on Claro. Claro has now entered a period where alternative funding is being sought to ensure the charity's long term sustainability.

Although our trading income is not dependent on only one or two predominant customers this is an area we continue to work hard on to develop additional customers. We will continue to spread the customer base and thus further reduce exposure. We set our prices at a very competitive level and concentrate on delivering high quality goods. Customer feedback indicates a high level of satisfaction with our responsiveness, quality levels and value for money.

Cash flow is not an immediate risk given our reserves position. Management review potential bad debts on an ongoing basis and bring any concerns to the attention of the Trustees.

Accounts are subject to annual independent examination. The Management Committee review management accounts and the bank statements at each of their meetings.

Compliance, Safety and Security

Policies and procedures are reviewed by the staff and Trustees on an ongoing basis and are updated as and when required

Our Health and Safety Policy is up to date and has again been reviewed and updated along with our current safety practices in detail during the year.

Necessary insurances, fire and intruder alarms are in place and supported where relevant by service contracts. A CCTV system has been installed to improve premises security.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02450753 (England and Wales)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

Registered Charity number

1000903

Registered office

Spa Road
Starbeck
Harrogate
North Yorkshire
HG2 7JG

Trustees

Christopher Bratton Brown
Frances Susan Brown
Margaret Jean Scott Archer
Colin William Reid
James Atkins
Pippa Jean Robson
Philip John Brown
Victoria Kathryn Oldham
David James Kettle (appointed 8/5/2024)

Company Secretary

Frances Susan Brown

Independent Examiner

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

Bankers

Virgin Money
James Street
Harrogate
HG1 1QU

Approved by order of the board of trustees on 20 October 2025 and signed on its behalf by:

James Atkins - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**

Independent examiner's report to the trustees of Claro Enterprises ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2025.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

John Garbutt BA FCA

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

20 October 2025

CLARO ENTERPRISES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted fund £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	158,014	-	158,014	152,175
Charitable activities					
Manufacturing & services	4	93,275	-	93,275	81,466
Investment income	3	8,433	-	8,433	3,714
Total		<u>259,722</u>	<u>-</u>	<u>259,722</u>	<u>237,355</u>
EXPENDITURE ON					
Charitable activities					
Manufacturing & services		<u>237,194</u>	<u>-</u>	<u>237,194</u>	<u>229,819</u>
NET INCOME		22,528	-	22,528	7,536
RECONCILIATION OF FUNDS					
Total funds brought forward		326,556	180,074	506,630	499,094
TOTAL FUNDS CARRIED FORWARD		<u><u>349,084</u></u>	<u><u>180,074</u></u>	<u><u>529,158</u></u>	<u><u>506,630</u></u>

The notes form part of these financial statements

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**BALANCE SHEET****31 MARCH 2025**

	Notes	Unrestricted funds £	Restricted fund £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	10	115,883	180,074	295,957	240,312
CURRENT ASSETS					
Stocks	11	6,395	-	6,395	5,469
Debtors	12	40,755	-	40,755	7,643
Prepayments and accrued income		5,131	-	5,131	4,547
Cash at bank and in hand		267,620	-	267,620	289,409
		<u>319,901</u>	<u>-</u>	<u>319,901</u>	<u>307,068</u>
CREDITORS					
Amounts falling due within one year	13	(9,160)	-	(9,160)	(3,474)
NET CURRENT ASSETS		<u>310,741</u>	<u>-</u>	<u>310,741</u>	<u>303,594</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		426,624	180,074	606,698	543,906
ACCRUALS AND DEFERRED INCOME	14	(77,540)	-	(77,540)	(37,276)
NET ASSETS		<u>349,084</u>	<u>180,074</u>	<u>529,158</u>	<u>506,630</u>
FUNDS	15				
Unrestricted funds				349,084	326,556
Restricted funds				180,074	180,074
TOTAL FUNDS				<u>529,158</u>	<u>506,630</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2025 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

BALANCE SHEET - continued
31 MARCH 2025

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

The financial statements were approved by the Board of Trustees and authorised for issue on 20 October 2025 and were signed on its behalf by:

James Atkins - Trustee

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on the going concern basis.

Income

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

Government Grant Income

Government grant income is recognised when there is reasonable assurance that the grant will be received, and that Claro Enterprises will comply with any conditions attached to the grant.

Grants are measured using the accruals model.

Expenditure

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

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Governance costs are included within support costs, and are wholly allocated to charitable expenditure.

Allocation and apportionment of costs

Support costs are wholly allocated to the charitable activity of Claro Enterprises, which is the running of the workshop.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	5% - 33.3%
Fixtures and fittings	10% - 33.3%
Computer equipment	20% - 25%

An assessment on the appropriateness of calculating depreciation with reference to cost or with reference to net book value is made on an asset-by-asset basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Freehold buildings are not depreciated; they are carried at cost less impairment. It is the company's policy to maintain the property in an continued state of sound repair. Accordingly the trustees consider that the life of the property is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be immaterial.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Prepayments and accrued income

Prepayments are recognised when the associated payment has been made, until the associated goods or services have been received.

Accrued income is recognised as the charity becomes entitled to it and is measured at fair value.

Cash at bank and in hand

Cash at bank and in hand represents cash held and accessible immediately.

Creditors and provisions

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

2. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	15,567	7,523
Gift aid	-	2,359
Grants	142,447	142,293
	<u>158,014</u>	<u>152,175</u>

Grants received, included in the above, are as follows:

	2025	2024
	£	£
North Yorkshire County Council	110,223	110,657
Other grants	32,224	27,469
National Lottery	-	4,167
	<u>142,447</u>	<u>142,293</u>

3. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	<u>8,433</u>	<u>3,714</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025	2024
		£	£
Woodworking income	Manufacturing & services	37,139	35,529
Outwork income	Manufacturing & services	26,611	25,375
Service charges	Manufacturing & services	23,838	13,828
Men/Women in sheds	Manufacturing & services	5,687	6,734
		<u>93,275</u>	<u>81,466</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

5. SUPPORT COSTS

	Governance costs
	£
Manufacturing & services	<u>4,722</u>

Support costs, included in the above, are as follows:

	2025 Manufacturing & services £	2024 Total activities £
Independent Examiner's remuneration	2,035	1,965
Independent Examiner's remuneration for other work	<u>2,687</u>	<u>3,076</u>
	<u>4,722</u>	<u>5,041</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025 £	2024 £
Independent Examiner's remuneration	2,035	1,965
Independent Examiner's remuneration for other work	2,687	3,076
Depreciation - owned assets	<u>7,551</u>	<u>2,632</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

8. STAFF COSTS

	2025 £	2024 £
Wages and salaries	135,431	129,746
Social security costs	5,426	5,080
Other pension costs	<u>6,898</u>	<u>6,288</u>
	<u>147,755</u>	<u>141,114</u>

The average monthly number of employees during the year was as follows:

	2025	2024
Employees	<u>8</u>	<u>7</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

8. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

In addition to the full time staff disclosed above, as part of Claro Enterprises' charitable activities, people with long term, severe and enduring mental health problems volunteer in our woodworking and outworking activities. These people are the beneficiaries of the charity and are referred to as our service users.

Service users are not employees and are excluded from the results above. In the year the charity provided support for an average of 100 service users (2024: 80) and service user expenses totalled £7,809 (2024: £7,311)

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	152,175	-	152,175
Charitable activities			
Manufacturing & services	81,466	-	81,466
Investment income	3,714	-	3,714
Total	<u>237,355</u>	<u>-</u>	<u>237,355</u>
EXPENDITURE ON			
Charitable activities			
Manufacturing & services	<u>229,819</u>	<u>-</u>	<u>229,819</u>
NET INCOME	7,536	-	7,536
RECONCILIATION OF FUNDS			
Total funds brought forward	319,020	180,074	499,094
TOTAL FUNDS CARRIED FORWARD	<u><u>326,556</u></u>	<u><u>180,074</u></u>	<u><u>506,630</u></u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2024	231,951	42,300	10,119	10,827	295,197
Additions	9,880	35,908	17,300	108	63,196
	<u>241,831</u>	<u>78,208</u>	<u>27,419</u>	<u>10,935</u>	<u>358,393</u>
At 31 March 2025					
DEPRECIATION					
At 1 April 2024	-	37,040	8,692	9,153	54,885
Charge for year	-	5,661	1,279	611	7,551
	<u>-</u>	<u>42,701</u>	<u>9,971</u>	<u>9,764</u>	<u>62,436</u>
At 31 March 2025					
NET BOOK VALUE					
At 31 March 2025	<u>241,831</u>	<u>35,507</u>	<u>17,448</u>	<u>1,171</u>	<u>295,957</u>
At 31 March 2024	<u>231,951</u>	<u>5,260</u>	<u>1,427</u>	<u>1,674</u>	<u>240,312</u>

Freehold property relates entirely to the cost of the premises of Claro Enterprises and subsequent improvements.

£180,074 of the cost of the freehold property was provided by the National Lottery Fund and is restricted to the acquisition and refurbishment of the property occupied by the charity.

11. STOCKS

	2025 £	2024 £
Stocks	<u>6,395</u>	<u>5,469</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	33,304	4,942
VAT	<u>7,451</u>	<u>2,701</u>
	<u>40,755</u>	<u>7,643</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	5,821	1,221
Social security and other taxes	2,552	2,253
Other creditors	787	-
	<u>9,160</u>	<u>3,474</u>

14. ACCRUALS AND DEFERRED INCOME

	2025	2024
	£	£
Accruals and deferred income	66,848	37,276
Deferred government grants	10,692	-
	<u>77,540</u>	<u>37,276</u>

The government grant deferred income is grant payments relating to the first quarter of the year ended 31 March 2025.

	£ 2025	£ 2024
Deferred income brought forward	-	-
Deferred income released in the year	-	-
Additional deferred income in the year	10,692	-
	<u>10,692</u>	<u>-</u>
Deferred income carried forward.	<u>10,692</u>	<u>-</u>

15. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	At 31.3.25 £
Unrestricted funds			
General fund	314,739	22,528	337,267
Development fund	11,817	-	11,817
	<u>326,556</u>	<u>22,528</u>	<u>349,084</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>180,074</u>	<u>-</u>	<u>180,074</u>
TOTAL FUNDS	<u>506,630</u>	<u>22,528</u>	<u>529,158</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	259,722	(237,194)	22,528
TOTAL FUNDS	<u>259,722</u>	<u>(237,194)</u>	<u>22,528</u>

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	307,203	7,536	314,739
Development fund	11,817	-	11,817
	319,020	7,536	326,556
Restricted funds			
Lottery fund	180,074	-	180,074
TOTAL FUNDS	<u>499,094</u>	<u>7,536</u>	<u>506,630</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	237,355	(229,819)	7,536
TOTAL FUNDS	<u>237,355</u>	<u>(229,819)</u>	<u>7,536</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.23 £	Net movement in funds £	At 31.3.25 £
Unrestricted funds			
General fund	307,203	30,064	337,267
Development fund	11,817	-	11,817
	<u>319,020</u>	<u>30,064</u>	<u>349,084</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>180,074</u>	<u>-</u>	<u>180,074</u>
TOTAL FUNDS	<u><u>499,094</u></u>	<u><u>30,064</u></u>	<u><u>529,158</u></u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	497,077	(467,013)	30,064
	<u>497,077</u>	<u>(467,013)</u>	<u>30,064</u>
TOTAL FUNDS	<u><u>497,077</u></u>	<u><u>(467,013)</u></u>	<u><u>30,064</u></u>

The funds received from the National Lottery were specifically for use in the acquisition and refurbishment of the property occupied by the charity.

The development fund is designated to provide for the development of the company's aim to provide sheltered workshop facilities for the maximum number of sufferers in the future.

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2025.

CLARO ENTERPRISES

England & Wales - Charity number 1000903

Accounts

REGISTERED COMPANY NUMBER: 02450753 (England and Wales)
REGISTERED CHARITY NUMBER: 1000903

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
CLARO ENTERPRISES**

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

CLARO ENTERPRISES

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Page
Report of the Trustees	1 to 11
Independent Examiner's Report	12
Statement of Financial Activities	13
Balance Sheet	14 to 15
Notes to the Financial Statements	16 to 24

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Purposes and Aims

The charity's purposes as set out in the objects contained in the company's Memorandum of Association are to:

- relieve poverty and distress among sufferers from schizophrenia and mental illness generally
- advance the education of persons suffering from schizophrenia or other mental illness and in particular to promote, provide and support schemes where such persons may receive training in a supportive and supervised environment.

The aims of our charity are to:

- improve the quality of life and self-esteem of those suffering from severe and enduring mental health problems
- listen to our service users and respond to their changing requirements
- support our service users by creating a working environment which is as realistic as possible
- fulfil obligations to service users as set out in the Community Care Agreement we have with North Yorkshire County Council.

Ensuring our work delivers our aims

We review our aims, objectives and activities at least annually. We consider what we have achieved, what has not gone so well and what changes need to be considered to ensure we remain focused on our stated purposes.

A principal concern for the Trustees is to maintain our support for our present service users and to develop in a way which enhances the sustainability of our service.

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives of the charity and enable it to meet its charitable purposes for the public benefit.

The focus of our work

The present focus of our work is to:

- provide a community facility for those suffering from long term severe and enduring mental health problems including schizophrenia and bipolar disorder
- provide meaningful work related activity for sufferers
- provide information and support for sufferers and their carers
- support other organisations working in the same field

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

OBJECTIVES AND ACTIVITIES

How our activities deliver public benefit

All our charitable activities focus on helping and supporting our service users.

In the year covered by this report Claro Enterprises provided the following activities and services for its beneficiaries:

- a variety of activities and opportunities to learn new skills, including woodworking, packaging and light assembly
- training and supervision on the use of equipment and machinery and first aid
- developed an externally accredited in-house training program for beneficiaries in Employment Skills
- through partnerships with other local charities engaged in similar and complementary activities
- a supportive and structured environment where beneficiaries gain genuine work experience and opportunities to socialise and gain confidence
- supported work experience to help beneficiaries access volunteering and employment in external businesses and organisations
- a forum for beneficiaries to discuss and share their ideas, concerns and future requirements
- accommodation, equipment, personnel, volunteers and training to maintain a Men's Shed and a Women's Shed facility for Starbeck
- Development of the Route 1 Partnership which consists of four local charities which provide a wide range of complementary activities and support services. Route 1 employs a coordinator who acts as a single point of referral for Social Prescribers based in GP practices and the Community Mental Health Team.
- employment of a dedicated mental health worker who focuses on building service user confidence and self esteem to support and encourage people to try activities, education or work which match interests, skills and experience.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

OBJECTIVES AND ACTIVITIES

Our management and staff liaise closely with other agencies and charities to ensure that the needs of service users are met and that new potential service users are made aware of Claro and its services. One of the principal benefits of our work is reduced dependence on primary and secondary health care services by our service users.

Who used and benefited from our services

Claro has provided long-term support to over 30 people per week, supporting over 50 people over the year who have severe and enduring mental health issues. Claro continues to receive 25-30 referrals per year through the Route One mental health partnership some of whom require short term intervention whilst others require longer term support.

Route One expanded its referral pathways this year, there are now 4 pathways

- 1 Social Prescribers - based in GP surgeries
- 2 First Contact Mental Health Workers - Based in GP surgeries
- 3 Community Mental Health Team (Adult)
- 4 Community Mental Health Team (Older People)

Route One is currently being supported financially by Transforming Mental Health Funding via TEWV NHS trust, future funding for these pathways has not been confirmed but is expected to continue.

Wellbeing data is gathered by the Route One coordinator with 78% of people coming through showing an improvement in their wellbeing score during placements.

In early 2023 a survey of beneficiaries was completed. Over 80% of those attending regularly responded. In general responses were very positive and highlighted the importance of the services provided by Claro. The contribution and support from staff was highlighted for particular praise. Socialising and meeting new people rated highest as a benefit from attending Claro with improved mental health and improved confidence coming a close second. Interestingly a general trend emerged indicating that although those attending value and gain great benefit from the work environment at Claro they also gain wider consequential benefit in their lives from attendance and identify the stability Claro provides as essential to their wellbeing 92% of those responding indicated that attending Claro has reduced their dependence on mental health services either very much or quite a lot.

Comments included :

"This place is great. Claro is a safety net. People here are where you feel good about yourself helps me to accept my mental health"

"It has helped me, very much so....a friendly place and I would not change anything. I am getting better, worried that I could be turned away when fully well...I would miss it if I could not come."

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

FINANCIAL REVIEW

Financial position

Our principal concern is the continued wellbeing of our service users and their development such that they can take up positions in the regular employment market. It is pleasing to report that two of Claro's supervisors were formerly service users, one has moved on from Claro and is now employed in another area of the county and another although still attending at Claro has taken up volunteering opportunities.

Claro is pleased to be able to extend its offer this year to include the provision of accredited qualifications to beneficiaries whilst on placement. The Masonic Charitable Foundation has supported this initiative with a £15,000 grant (£3,000 PA over 5 years) to establish an externally accredited learning program at Claro.

The Men's & Ladies Sheds are thriving and have at times throughout the year reached a maximum capacity level, a huge commendation to the volunteers who lead these groups and welcome new members. As a result of this over subscription the Men's Shed has developed a separate beginners woodworking group which has been very successful in training new members and integrating people who would otherwise not have had the confidence to become Men's Shed members

Trading income has continued to increase this year with income in excess of £60,000 although profits are still lower than pre-covid levels due to increased overheads and material costs. Claro has continued to explore opportunities to extend commercial income and is in the process of fundraising for an additional CNC machine which will enable a sustainable increase in commercial income

The management and Trustees continue to seek new customers and services both in woodwork and business services. Additional marketing support has been provided via one of the Trustees and more active engagement with local press, radio and television continues. Claro continues to develop new wood based products which it is actively marketing. The contribution from the Men's Shed in developing and producing new products is very beneficial. Claro remains active in seeking grant and external financial support to reduce the dependence on NYCC funding.

All involved with Claro were delighted to welcome HRH The Princess Royal, Princess Anne for a visit this year. She first visited Claro over 30 years ago and was impressed by the progress made since those early days. Princess Anne stressed the importance to the community of Claro and commended staff, beneficiaries and trustees for all that is done. The visit was hugely encouraging and greatly appreciated.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

FINANCIAL REVIEW

Principal funding sources

Core funding has been provided by North Yorkshire County Council. This funding has not kept pace with cost increases and its real value has been seriously eroded over the last few years. Following a period when the impact on Claro's financial position was minimal it is now apparent that the reduction in funding from this source is significantly lower in real terms.

Trustees and management have been active in engaging with NYCC to explore future funding and this effort has resulted in some helpful adjustments which have to some extent stemmed the ever downward funding from NYCC. However considering the overall financial position of NYCC, the trustees continue to have concerns about the ability of this source of funding to keep up with inflation and inevitable cost increases in areas such as wages and energy.

Claro continued to receive funding via Route One which supported the places allocated through this pathway. The funding was received from the 'Transforming Mental Health Care' programme. Claro's allocation is designed to integrate third sector organisations into mental health provision and is expected to be maintained over the next few years.

Claro has received grant funding from a number of funders this year. Major donations have been received from:

Liz & Terry Bramall Trust (£15,000) and Councillor Robert Windass (£2,000) - ongoing operational costs and supported unfunded places

Masonic Charitable Foundation (£15,000 - £3,000 pa x 5 years) - establishing Claro learning programme for beneficiaries

Two Ridings Foundation (Cost Of Living Fund £5,000 and Local Fund £3,000) - ongoing operational costs and Cooking on a Budget course

The Charity depends on its trading activities as its other main source of funding and this income ensures financial viability and the continuation of the Charity.

We are grateful for the valuable support provided by all our founders both large and small and for the orders for goods and services received from our customers. Without this support the Claro would not be able to support the number of people it does.

Investment policy and objectives

The Charity does not have a formal investment policy. The Charity's principal asset is its building which it owns and the equipment which it contains.

Reserves policy

The Management Committee has, for many years, determined that reserves not invested in fixed tangible assets should cover at least the value of two years financial support received from NYCC. This is to mitigate against loss of core funding. Last year the Committee decided that with the falling value in real terms of the support from NYCC a more sustainable reserve policy would be to retain a sum of approximately two years of staff salaries plus an allowance for staff redundancy pay. The Committee considers that this is a prudent policy given the vulnerable nature of the beneficiaries as it ensures the continuation of the charity's work in the event that existing funding sources are lost. This policy is subject to regular review at least annually.

Reserves are held in a number of bank accounts and are reviewed regularly to ensure that they are below the threshold which is covered by the Financial Services Compensation Scheme.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

FUTURE PLANS

In the present economic climate, including cost of living increases and financial pressures on all public services we believe that continuing to deliver our core service is important as our service users are among the most vulnerable in society and their well being is very dependent on the Charity's existence.

We recognise that national policy is emphasizing mental health needs. During the year we continued discussions with North Yorkshire County Council about how Claro might develop its service in order to help more people in a wider variety of ways and these discussions will continue.

Claro is aware that the closure of patient beds in Harrogate has put more pressure on the Community Mental Health and crisis teams and day facilities such as Claro will become even more important than at present. Claro staff and Trustees are working hard to develop relationships with the relevant areas of health management to discuss how we might help.

The Route One Partnership has continued to flourish, connecting Claro with the people who need support more effectively than ever through now established referral pathways via GPs across the district and Community Mental Health Services as well as internal referrals between partner organisations. Over the next year the Partnership will continue to consider extending the pathways to other referring organisations. It is also going to build on foundations set in place this year to take services into the rural communities in Harrogate District

The Trustees recognize that with the reduction in funding from NYCC, the increased cost of doing business due to inflation (such as staff costs, energy costs and insurance costs) and the continued downturn in commercial activity Claro may not be financially sustainable in the medium term (2 - 3 years) unless something changes. This represents an ongoing challenge for the charity and is kept under close review by the Trustees.

Claro continues to monitor national and local developments in the area of mental health and well being with the aim of modifying and enhancing its services where appropriate. In particular we wish to further develop our individually tailored short term programmes for service users who could use Claro as a stepping stone back into the regular employment market.

We will continue the work we have started to increase staff flexibility and organisational capability through development and training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 11th December 1989 and registered as a charity on 13th November 1990. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of management committee

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

Under the requirements of the Memorandum and Articles of Association one third of the Trustees, or the number closest to one third must resign at each AGM and may offer themselves for reelection if they wish.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were reclaimed from the charity by Trustees during the year.

The Trustees are:

Mrs Maggie Archer reelected in October 2023 - due to resign 2026

Mr James Atkins reelected in October 2021 - due to resign 2024

Mr Chris Brown reelected in October 2021 - due to resign 2024

Mr Philip Brown appointed in May 2023 - due to resign 2026

Mrs Susan Brown reelected in October 2023 - due to resign 2026

Ms Victoria Oldham appointed in May 2023 - due to resign 2026

Mr Colin Reid reelected in October 2022 - due to resign 2025

Ms Pippa Robson appointed February 2022 - due to resign 2025

Office Bearers are:

Mr James Atkins was reelected as Chairman in October 2023

Mr Chris Brown was reelected as Deputy Chairman in October 2023

Mrs Susan Brown was reelected as Secretary in October 2023

Ms Victoria Oldham elected as Treasurer in October 2023

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Management Committee met ten times during the year using Microsoft Teams, as required, to enable attendance. Charity activities and finances are reviewed at these meetings.

The meetings are attended by:

- the trustees
- a representative of the service users
- Claro General Manager and other staff as required

Meetings between all Claro staff and at least three of the Trustees take place when requested by staff.

Minutes and the decisions made at these meetings are recorded.

Responsibilities of the Trustees

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources, including income and expenditure for the financial year.

In preparing those financial statements the Trustees have:

- selected suitable accounting policies and then applied them consistently
- made judgments and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements
- prepared the financial statements on the "going concern" basis
- considered the thresholds requiring independent auditing of the accounts and have satisfied themselves that Claro Enterprises is not required by law to have its accounts independently audited but that independent examination is required.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of control - financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are required to provide reasonable assurance that the charity is operating efficiently and its assets are safeguarded against unauthorised use or disposition, that proper records are maintained and that financial information used within the charity and for publication is reliable and that the charity complies with all relevant laws and regulations.

Members of the Management Committee

Members of the Management Committee, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on the first page of this report.

As the company's directors, we certify that :

- so far as we are aware there is no relevant information of which the company's independent examiners are unaware
- we have taken all the steps we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's independent examiners are aware of that information.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the Management Committee and decision making processes, the business plan and recent financial performance of the charity. They are encouraged to attend suitable external training.

Risk management

The Trustees confirm that the major risks to which the charity is exposed have been reviewed and systems have been considered and, where appropriate, established to mitigate those risks to the extent that they can reasonably be mitigated.

The principal risks are:

Organisational capacity and flexibility

Of necessity the charity operates with staffing levels which ensure service user safety and maximize efficiency. As a consequence there is very little spare capacity. Most staff have been in position for a considerable number of years and have built deep levels of competence in their areas of responsibility. Prolonged periods of staff sickness or absence or staff resignations represent a significant risk to the charity as at present the flexibility of the staff is somewhat limited. There are some key roles which only one staff member can perform.

The Trustees are aware of this risk and during the year have provided training to supervisors - now business critical activities can be performed by at least two staff members. Ongoing consideration of required staff training and development to address this risk will continue through this coming year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Financial

Any further reduction in core funding from North Yorkshire County Council would pose a significant risk to the charity. Continued liaison and cooperation with our funders help us to demonstrate to them the value our services provide and their positive feedback is an encouragement.

Our previous reserves policy is designed to enable the charity to continue for a two to three year period should core funding be lost completely. The Trustees are of the view that the changes to funding in September 2019 coupled with the ongoing challenging commercial environment will result in more financial pressure on Claro. Claro has now entered a period where alternative funding is being sought to ensure the charity's long term sustainability.

Although our trading income is not dependent on only one or two predominant customers this is an area, we continue to have work hard on to develop additional customers. We will continue to spread the customer base and thus further reduce exposure. We set our prices at a very competitive level and concentrate on delivering high quality goods. Customer feedback indicates a high level of satisfaction with our responsiveness, quality levels and value for money.

Cash flow is not an immediate risk given our reserves position. Management review potential bad debts on an ongoing basis and bring any concerns to the attention of the Trustees.

Accounts are subject to annual independent examination. The Management Committee review management accounts and the bank statements at each of their meetings.

Compliance, Safety and Security

Policies and procedures are reviewed by the staff and Trustees on an ongoing basis and are updated as and when required.

Our Health and Safety Policy is up to date and has again been reviewed and updated along with our current safety practices in detail during the year. An external review was carried out by an experienced HSE consultant and all recommendations acted upon.

Necessary insurances, fire and intruder alarms are in place and supported where relevant by service contracts. A CCTV system has been installed to improve premises security.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02450753 (England and Wales)

Registered Charity number

1000903

Registered office

Spa Road
Starbeck
Harrogate
North Yorkshire
HG2 7JG

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees

Christopher Bratton Brown
Frances Susan Brown
Margaret Jean Scott Archer
Colin William Reid
James Atkins
Pippa Jean Robson
Philip John Brown (appointed 17/5/2023)
Victoria Kathryn Oldham (appointed 17/5/2023)
David James Kettle (appointed 8/5/2024)

Company Secretary

Frances Susan Brown

Independent Examiner

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

Bankers

Virgin Money
James Street
Harrogate
HG1 1QU

Approved by order of the board of trustees on 18 November 2024 and signed on its behalf by:

James Atkins - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**

Independent examiner's report to the trustees of Claro Enterprises ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2024.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

John Garbutt BA FCA

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

18 November 2024

CLARO ENTERPRISES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	152,175	-	152,175	99,126
Charitable activities					
Manufacturing & services	4	81,466	-	81,466	76,135
Investment income	3	3,714	-	3,714	890
Total		<u>237,355</u>	<u>-</u>	<u>237,355</u>	<u>176,151</u>
EXPENDITURE ON					
Charitable activities					
Manufacturing & services		<u>229,819</u>	<u>-</u>	<u>229,819</u>	<u>188,685</u>
NET INCOME/(EXPENDITURE)		7,536	-	7,536	(12,534)
RECONCILIATION OF FUNDS					
Total funds brought forward		319,020	180,074	499,094	511,628
TOTAL FUNDS CARRIED FORWARD		<u><u>326,556</u></u>	<u><u>180,074</u></u>	<u><u>506,630</u></u>	<u><u>499,094</u></u>

The notes form part of these financial statements

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**BALANCE SHEET****31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted fund £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	10	60,238	180,074	240,312	237,612
CURRENT ASSETS					
Stocks	11	5,469	-	5,469	5,524
Debtors	12	7,643	-	7,643	8,448
Prepayments and accrued income		4,547	-	4,547	3,650
Cash at bank and in hand		289,409	-	289,409	266,207
		<u>307,068</u>	<u>-</u>	<u>307,068</u>	<u>283,829</u>
CREDITORS					
Amounts falling due within one year	13	(3,474)	-	(3,474)	(4,526)
NET CURRENT ASSETS		<u>303,594</u>	<u>-</u>	<u>303,594</u>	<u>279,303</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		363,832	180,074	543,906	516,915
ACCRUALS AND DEFERRED INCOME	14	(37,276)	-	(37,276)	(17,821)
NET ASSETS		<u>326,556</u>	<u>180,074</u>	<u>506,630</u>	<u>499,094</u>
FUNDS	15				
Unrestricted funds				326,556	319,020
Restricted funds				180,074	180,074
TOTAL FUNDS				<u>506,630</u>	<u>499,094</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

BALANCE SHEET - continued
31 MARCH 2024

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

The financial statements were approved by the Board of Trustees and authorised for issue on 18 November 2024 and were signed on its behalf by:

James Atkins - Trustee

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on the going concern basis.

Income

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

Government Grant Income

Government grant income is recognised when there is reasonable assurance that the grant will be received, and that Claro Enterprises will comply with any conditions attached to the grant.

Grants are measured using the accruals model.

Expenditure

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

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Governance costs are included within support costs, and are wholly allocated to charitable expenditure.

Allocation and apportionment of costs

Support costs are wholly allocated to the charitable activity of Claro Enterprises, which is the running of the workshop.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	5% - 33.3%
Fixtures and fittings	10% - 33.3%
Computer equipment	20% - 25%

An assessment on the appropriateness of calculating depreciation with reference to cost or with reference to net book value is made on an asset-by-asset basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Freehold buildings are not depreciated; they are carried at cost less impairment. It is the company's policy to maintain the property in an continued state of sound repair. Accordingly the trustees consider that the life of the property is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be immaterial.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Prepayments and accrued income

Prepayments are recognised when the associated payment has been made, until the associated goods or services have been received.

Accrued income is recognised as the charity becomes entitled to it and is measured at fair value.

Cash at bank and in hand

Cash at bank and in hand represents cash held and accessible immediately.

Creditors and provisions

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	7,523	8,965
Gift aid	2,359	1,042
Grants	142,293	89,119
	<u>152,175</u>	<u>99,126</u>

Grants received, included in the above, are as follows:

	2024	2023
	£	£
North Yorkshire County Council	110,657	58,994
Other grants	27,469	30,125
National Lottery	4,167	-
	<u>142,293</u>	<u>89,119</u>

3. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	<u>3,714</u>	<u>890</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024	2023
		£	£
Woodworking income	Manufacturing & services	35,529	32,683
Outwork income	Manufacturing & services	25,375	23,200
Service charges	Manufacturing & services	13,828	13,276
Men/Women in sheds	Manufacturing & services	6,734	6,976
		<u>81,466</u>	<u>76,135</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

5. SUPPORT COSTS

	Governance costs
	£
Manufacturing & services	<u>5,041</u>

Support costs, included in the above, are as follows:

	2024 Manufacturing & services £	2023 Total activities £
Independent Examiner's remuneration	1,965	1,970
Independent Examiner's remuneration for other work	<u>3,076</u>	<u>2,736</u>
	<u>5,041</u>	<u>4,706</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Independent Examiner's remuneration	1,965	1,970
Independent Examiner's remuneration for other work	3,076	2,736
Depreciation - owned assets	<u>2,632</u>	<u>2,430</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

8. STAFF COSTS

	2024 £	2023 £
Wages and salaries	129,746	114,843
Social security costs	5,080	4,009
Other pension costs	<u>6,288</u>	<u>5,300</u>
	<u>141,114</u>	<u>124,152</u>

The average monthly number of employees during the year was as follows:

	2024	2023
Employees	<u>7</u>	<u>7</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

8. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

In addition to the full time staff disclosed above, as part of Claro Enterprises' charitable activities, people with long term, severe and enduring mental health problems volunteer in our woodworking and outworking activities. These people are the beneficiaries of the charity and are referred to as our service users.

Service users are not employees and are excluded from the results above. In the year the charity provided support for an average of 80 service users (2023: 70) and service user expenses totalled £7,311 (2023: £6,596)

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	99,126	-	99,126
Charitable activities			
Manufacturing & services	76,135	-	76,135
Investment income	890	-	890
Total	<u>176,151</u>	<u>-</u>	<u>176,151</u>
EXPENDITURE ON			
Charitable activities			
Manufacturing & services	<u>188,685</u>	<u>-</u>	<u>188,685</u>
NET INCOME/(EXPENDITURE)	(12,534)	-	(12,534)
RECONCILIATION OF FUNDS			
Total funds brought forward	331,554	180,074	511,628
TOTAL FUNDS CARRIED FORWARD	<u><u>319,020</u></u>	<u><u>180,074</u></u>	<u><u>499,094</u></u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2023	227,051	42,300	10,119	10,395	289,865
Additions	4,900	-	-	432	5,332
	<u>231,951</u>	<u>42,300</u>	<u>10,119</u>	<u>10,827</u>	<u>295,197</u>
At 31 March 2024	231,951	42,300	10,119	10,827	295,197
DEPRECIATION					
At 1 April 2023	-	35,685	7,980	8,588	52,253
Charge for year	-	1,355	712	565	2,632
	<u>-</u>	<u>37,040</u>	<u>8,692</u>	<u>9,153</u>	<u>54,885</u>
At 31 March 2024	-	37,040	8,692	9,153	54,885
NET BOOK VALUE					
At 31 March 2024	<u>231,951</u>	<u>5,260</u>	<u>1,427</u>	<u>1,674</u>	<u>240,312</u>
At 31 March 2023	<u>227,051</u>	<u>6,615</u>	<u>2,139</u>	<u>1,807</u>	<u>237,612</u>

Freehold property relates entirely to the cost of the premises of Claro Enterprises and subsequent improvements.

£180,074 of the cost of the freehold property was provided by the National Lottery Fund and is restricted to the acquisition and refurbishment of the property occupied by the charity.

11. STOCKS

	2024 £	2023 £
Stocks	<u>5,469</u>	<u>5,524</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	4,942	8,229
VAT	2,701	219
	<u>7,643</u>	<u>8,448</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	1,221	2,415
Social security and other taxes	2,253	2,071
Other creditors	-	40
	<u>3,474</u>	<u>4,526</u>

14. ACCRUALS AND DEFERRED INCOME

	2024	2023
	£	£
Accruals and deferred income	37,276	12,931
Deferred government grants	-	4,890
	<u>37,276</u>	<u>17,821</u>

The government grant deferred income is grant payments relating to the first quarter of the year ended 31 March 2024.

	£	£
	2024	2023
Deferred income brought forward	-	4,832
Deferred income released in the year	-	(4,832)
Additional deferred income in the year	-	4,890
	<u>-</u>	<u>4,890</u>
Deferred income carried forward.	-	4,890

15. MOVEMENT IN FUNDS

	At 1.4.23	Net movement in funds	At 31.3.24
	£	£	£
Unrestricted funds			
General fund	307,203	7,536	314,739
Development fund	11,817	-	11,817
	<u>319,020</u>	<u>7,536</u>	<u>326,556</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>180,074</u>	<u>-</u>	<u>180,074</u>
TOTAL FUNDS	<u>499,094</u>	<u>7,536</u>	<u>506,630</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	237,355	(229,819)	7,536
TOTAL FUNDS	<u>237,355</u>	<u>(229,819)</u>	<u>7,536</u>

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	319,737	(12,534)	307,203
Development fund	11,817	-	11,817
	331,554	(12,534)	319,020
Restricted funds			
Lottery fund	180,074	-	180,074
TOTAL FUNDS	<u>511,628</u>	<u>(12,534)</u>	<u>499,094</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	176,151	(188,685)	(12,534)
TOTAL FUNDS	<u>176,151</u>	<u>(188,685)</u>	<u>(12,534)</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.22 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	319,737	(4,998)	314,739
Development fund	11,817	-	11,817
	<u>331,554</u>	<u>(4,998)</u>	<u>326,556</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>180,074</u>	<u>-</u>	<u>180,074</u>
TOTAL FUNDS	<u>511,628</u>	<u>(4,998)</u>	<u>506,630</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	413,506	(418,504)	(4,998)
	<u>413,506</u>	<u>(418,504)</u>	<u>(4,998)</u>
TOTAL FUNDS	<u>413,506</u>	<u>(418,504)</u>	<u>(4,998)</u>

The funds received from the National Lottery were specifically for use in the acquisition and refurbishment of the property occupied by the charity.

The development fund is designated to provide for the development of the company's aim to provide sheltered workshop facilities for the maximum number of sufferers in the future.

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024.

CLARO ENTERPRISES

England & Wales - Charity number 1000903

Accounts

REGISTERED COMPANY NUMBER: 02450753 (England and Wales)
REGISTERED CHARITY NUMBER: 1000903

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
CLARO ENTERPRISES**

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

CLARO ENTERPRISES

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Page
Report of the Trustees	1 to 11
Independent Examiner's Report	12
Statement of Financial Activities	13
Balance Sheet	14 to 15
Notes to the Financial Statements	16 to 24

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Purposes and Aims

The charity's purposes as set out in the objects contained in the company's Memorandum of Association are to:

- relieve poverty and distress among sufferers from schizophrenia and mental illness generally
- advance the education of persons suffering from schizophrenia or other mental illness and in particular to promote, provide and support schemes where such persons may receive training in a supportive and supervised environment.

The aims of our charity are to:

- improve the quality of life and self-esteem of those suffering from severe and enduring mental health problems
- listen to our service users and respond to their changing requirements
- support our service users by creating a working environment which is as realistic as possible
- fulfil obligations to service users as set out in the Community Care Agreement we have with North Yorkshire County Council.

Ensuring our work delivers our aims

We review our aims, objectives and activities at least annually. We consider what we have achieved, what has not gone so well and what changes need to be considered to ensure we remain focused on our stated purposes.

A principal concern for the Trustees is to maintain our support for our present service users and to develop in a way which enhances the sustainability of our service.

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives of the charity and enable it to meet its charitable purposes for the public benefit.

The focus of our work

The present focus of our work is to:

- provide a community workshop facility for those suffering from long term severe and enduring mental health problems including schizophrenia and bipolar disorder
- provide meaningful work related activity for sufferers
- provide information and support for sufferers and their carers
- support other organisations working in the same field

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

OBJECTIVES AND ACTIVITIES

How our activities deliver public benefit

All our charitable activities focus on helping and supporting our service users.

In the year covered by this report Claro Enterprises provided the following activities and services for its beneficiaries:

- a variety of activities and opportunities to learn new skills, including woodworking, packaging and light assembly
- training and supervision on the use of equipment and machinery and first aid
- facilitating NYCC who provided training on a range of topics which help beneficiaries manage their own mental health
- through partnerships with other local charities such as Veterans Woodcraft.
- a supportive and structured environment where beneficiaries gain genuine work experience and opportunities to socialise and gain confidence
- supported work experience to help beneficiaries access work experience, volunteering and employment in external businesses and organisations
- a forum for beneficiaries to discuss and share their ideas, concerns and future requirements
- accommodation, equipment, personnel, volunteers and training to maintain a Men's Shed and develop Women's Shed facility for Starbeck
- Development of the Route 1 Partnership which consists of four local charities which provide a wide range of complementary activities and support services. Route 1 employs a coordinator who acts as a single point of referral for Social Prescribers based in GP practices and the Community Mental Health Team.
- employment of a dedicated mental health worker who focuses on building service user confidence and self esteem to support and encourage people to try activities, education or work which match interests, skills and experience.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

OBJECTIVES AND ACTIVITIES

Our management and staff liaise closely with other agencies and charities to ensure that the needs of service users are met and that new potential service users are made aware of Claro and its services. One of the principal benefits of our work is reduced dependence on primary and secondary health care services by our service users.

Who used and benefited from our services

Claro continued to expand service delivery through 2022/23 following the adjustments made during the Covid 19 Pandemic. We have provided long-term support to over 40 people per week who have severe and enduring mental health issues and have continued to receive referrals through the Route One mental health partnership.

Referrals are made by Social Prescribers based in GP surgeries. Those who are referred can attend for up to 12 weeks though some have stayed on as volunteers. In early 2021 this referral pathway was extended so that Community Mental Health Teams could also make referrals directly to Claro and other partners. Between 20 and 30 people have been supported through this route

We continue to provide work placements for college students with additional needs, Two students engaged in work placements and several more have attended work taster sessions.

In early 2023 a survey of beneficiaries was completed. Over 80% of those attending regularly responded. In general responses were very positive and highlighted the importance of the services provided by Claro. The contribution and support from staff was highlighted. Socialising and meeting new people rated highest as a benefit from attending Claro with improved mental health and improved confidence coming a close second. Interestingly a general trend emerged indicating that although those attending value and gain great benefit from the work environment at Claro they also gain wider consequential benefit in their lives from attendance and identify the stability Claro provides as essential to their wellbeing 92% of those responding indicated that attending Claro has reduced their dependence on mental health services either very much or quite a lot.

Comments included :

"This place is great. Claro is a safety net. People here are where you feel good about yourself helps me to accept my mental health"

"It has helped me, very much so....a friendly place and I would not change anything. I am getting better, worried that I could be turned away when fully well...I would miss it if I could not come."

Starbeck Men's shed has continued to thrive this year with a core membership of 15 attending regularly and a further 10 people attending intermittently. In January 2022 we started Starbeck Ladies shed which has been equally popular with 10 people regularly attending. It has an overall membership of 25 people from the local community. Older (50+) people attend the sheds to learn new skills and reduce isolation but there are also younger members of both groups.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Our principal concern is the continued wellbeing of our service users and their development such that they can take up positions in the regular employment market. It is pleasing to report that two of Claro's supervisors were formerly service users, one has moved on from Claro and is now employed in another area of the county and another although still attending at Claro has taken up volunteering opportunities..

The contractual changes implemented by NYCC have bedded down. These materially increase the administration burden on management and staff and have reduced the level of financial support previously provided by NYCC by around 40%. The impact on service users has been minimised. As a result of these changes of the 60 people regularly attending Claro 18 are funded by NYCC but since the end of the year 2 have had funding removed. Claro directly supports and funds all other service users. Claro continues to be successful in public and volunteer fundraising and is developing a successful track record in receiving grant support from charitable foundations and local businesses.

Despite the challenges caused by the pandemic and NYCC reorganisation the General Manager, the Workshop Manager and the staff succeeded in modifying Claro's approach and ensured work, activities and practical support was made available in a safe manner to service users. It is testament to their efforts that with the ending of Covid measures in virtually all clients have returned to the charity.

The Management Committee is very grateful for the superb efforts made by all staff with the ongoing challenges resulting from Covid and the uncertainties of future funding from NYCC.

The lower demand for our products and services remains a challenge and risk for Claro. Trading income recovered from the low point of less than £40,000 to just over £50,000 - still well short of the £75,000 which we achieved pre Covid. The ongoing impact of Covid-19 on the level of demand for services and goods and the reduced funding from NYCC therefore remain concerns. A significant contribution from reserves has been required to maintain Claro's activities for the first time in many years - this was predicted in last year's report and highlights the financial challenges faced by the charity.

The management and Trustees continue to seek new customers and services both in woodwork and business services. Previous efforts have been successful but momentum was stalled during the pandemic but is now being reenergised. Additional marketing support has been provided via one of the Trustees and more active engagement with local press, radio and television continues. Claro continues to develop new wood based products which it is actively marketing. The contribution from the Men's Shed in developing and producing new products is very beneficial. Claro remains active in seeking grant and external financial support to reduce the dependence on NYCC funding

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

FINANCIAL REVIEW

Principal funding sources

Core funding has been provided by North Yorkshire County Council. This funding has not kept pace with cost increases and its real value has been seriously eroded over the last few years. As previously reported these arrangements changed at the end of September 2019. Following a period when the impact on Claro's financial position was minimal it is now apparent that the reduction in funding from this source is of the order of 40% due to restrictions on hours placed on Claro by NYCC and removal of support from some beneficiaries by NYCC. It is unlikely that this situation will change in future due to continuing cost pressures on NYCC. Trustees and management have been active in engaging with NYCC to explore future funding and this effort while not yet complete is making some progress

Claro continued to receive funding via Route One which supported the places allocated through this pathway. The funding was received from the 'Transforming Mental Health Care' programme. Claro's allocation is designed to integrate third sector organisations into mental health provision and is expected to be maintained over the next few years.

Claro received a grant from The Postcode Lottery, two grants from RB Gray Trusts and many individual donations. Such support and generosity is invaluable and is greatly appreciated by all at Claro.

The Charity depends on its trading activities as its other main source of funding and this income ensures financial viability and the continuation of the Charity.

We are grateful for the valuable support provided by all our funders and for the orders for goods and services received from our customers.

Investment policy and objectives

The Charity does not have a formal investment policy. The Charity's principal asset is its building which it owns and the equipment which it contains.

Reserves policy

The Claro service users are vulnerable. Their health and wellbeing depends on Claro being available to support them. To ensure continuity of support the Trustees have decided that reserves not invested in fixed tangible assets should cover at least the value of two years staffing cost plus redundancy costs. This policy is subject to review annually.

Reserves are held in a number of bank accounts and are reviewed regularly to ensure that they are below the threshold which is covered by the Financial Services Compensation Scheme.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

FUTURE PLANS

In the present economic climate, the cost of living increases and the ongoing impact of Covid 19 we believe that continuing to deliver our core service is important as our service users are among the most vulnerable in society and their well being is very dependent on the Charity's existence.

We recognize that national policy is emphasizing mental health needs . During the year we continued discussions with North Yorkshire County Council about how Claro might develop its service in order to help more people in a wider variety of ways and these discussions will continue.

Claro is aware that the closure of patient beds in Harrogate has put more pressure on the Community Mental Health and crisis teams and day facilities such as Claro will become even more important than at present. Claro staff and Trustees are working hard to develop relationships with the relevant areas of health management to discuss how we might help.

The Route One Partnership has continued to flourish, connecting Claro with the people who need support more effectively than ever through now established referral pathways via GPs across the district and Community Mental Health Services as well as internal referrals between partner organisations. Over the next year the Partnership will trial extending the pathways to other referring organisations. It is also going to build on foundations set in place this year to take services into the rural communities in Harrogate District

The Trustees recognize that with the reduction in funding from NYCC, the increased cost of doing business due to inflation eg staff costs, energy costs and insurance costs and the continued downturn in commercial activity Claro is not financially sustainable in the medium term (2 - 3 years) unless something changes. This represents an ongoing challenge for the charity and is kept under close review by the Trustees.

Claro continues to monitor national and local developments in the area of mental health and well being with the aim of modifying and enhancing its services where appropriate. In particular we wish to further develop our individually tailored short term programmes for service users who could use Claro as a stepping stone back into the regular employment market.

We will continue the work we have started to increase staff flexibility and organisational capability through development and training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 11th December 1989 and registered as a charity on 13th November 1990. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of management committee

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

Under the requirements of the Memorandum and Articles of Association one third of the Trustees, or the number closest to one third must resign at each AGM and may offer themselves for reelection if they wish.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were reclaimed from the charity by Trustees during the year.

Claro is finalizing the appointment of two new trustees - one with deep business expertise and one with an accountancy and business background who has served with distinction in local government.

The Trustees are :

Mrs Maggie Archer reelected in October 2020 - due to resign 2023

Mr James Atkins reelected in October 2021 - due to resign 2024

Mr Chris Brown reelected in October 2021 - due to resign 2024

Mr Philip Brown appointed in May 2023 - due to resign 2026

Mrs Susan Brown reelected in October 2020 - due to resign 2023

Ms Victoria Oldham appointed in May 2023 - due to resign 2026

Mr Colin Reid reelected in October 2022 - due to resign 2025

Ms Pippa Robson appointed February 2022 - due to resign 2025

Office Bearers are :

Mr James Atkins was reelected as Chairman in October 2022

Mr Chris Brown was reelected as Deputy Chairman in October 2022

Mrs Susan Brown was reelected as Secretary in October 2022

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Management Committee met ten times during the year using Zoom as required to enable attendance.

Charity activities and finances are reviewed at these meetings.

The meetings are attended by:

- the trustees
- a representative of the service users
- Claro General Manager and other staff as required

Meetings between all Claro staff and at least three of the Trustees take place when requested by staff.

Minutes and the decisions made at both of these meetings are recorded.

Responsibilities of the Trustees

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources, including income and expenditure for the financial year.

In preparing those financial statements the Trustees have :

- selected suitable accounting policies and then applied them consistently
- made judgments and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements
- prepared the financial statements on the "going concern" basis
- considered the thresholds requiring independent auditing of the accounts and have satisfied themselves that Claro Enterprises is not required by law to have its accounts independently audited but that independent examination is required.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of control - financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are required to provide reasonable assurance that the charity is operating efficiently and its assets are safeguarded against unauthorized use or disposition, that proper records are maintained and that financial information used within the charity and for publication is reliable and that the charity complies with all relevant laws and regulations.

Members of the Management Committee

Members of the Management Committee, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on the first page of this report.

As the company's directors, we certify that :

- so far as we are aware there is no relevant information of which the company's independent examiners are unaware
- we have taken all the steps we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's independent examiners are aware of that information.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the Management Committee and decision making processes, the business plan and recent financial performance of the charity. They are encouraged to attend suitable external training.

Risk management

The Trustees confirm that the major risks to which the charity is exposed have been reviewed and systems have been considered and, where appropriate, established to mitigate those risks to the extent that they can reasonably be mitigated.

The principal risks are :

Organisational capacity and flexibility

Of necessity the charity operates with staffing levels which ensure service user safety and maximize efficiency. As a consequence there is very little spare capacity. Most staff have been in position for a considerable number of years and have built deep levels of competence in their areas of responsibility. Prolonged periods of staff sickness or absence or staff resignations represent a significant risk to the charity as at present the flexibility of the staff is somewhat limited. There are some key roles which only one staff member can perform.

The Trustees are aware of this risk and during the year have provided training to supervisors - now business critical activities can be performed by at least two staff members. Ongoing consideration of required staff training and development to address this risk will continue through this coming year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Financial

Any further reduction in core funding from North Yorkshire County Council would pose a significant risk to the charity. Continued liaison and cooperation with our funders helps us to demonstrate to them the value our services provide and their positive feedback is an encouragement.

Our previous reserves policy is designed to enable the charity to continue for a two to three year period should core funding be lost completely. The Trustees are of the view that the changes to funding in September 2019 coupled with the ongoing challenging commercial environment and the impact of the Covid pandemic will result in more financial pressure on Claro. Claro has now entered a period where alternative funding is being sought to ensure the charity's long term sustainability.

Although our trading income is not dependent on only one or two predominant customers this is an area we continue to have work hard on to develop additional customers. We will continue to spread the customer base and thus further reduce exposure. We set our prices at a very competitive level and concentrate on delivering high quality goods. Customer feedback indicates a high level of satisfaction with our responsiveness, quality levels and value for money.

Cash flow is not an immediate risk given our reserves position. Management review potential bad debts on an ongoing basis and bring any concerns to the attention of the Trustees.

Accounts are subject to annual independent examination. The Management Committee review management accounts and the bank statements at each of their meetings.

Compliance, Safety and Security

Policies and procedures are reviewed by the staff and Trustees on an ongoing basis and are updated as and when required.

Our Health and Safety Policy is up to date and has again been reviewed and updated along with our current safety practices in detail during the year. An external review was carried out by an experienced HSE consultant and all recommendations acted upon.

Necessary insurances, fire and intruder alarms are in place and supported where relevant by service contracts. A CCTV system has been installed to improve premises security.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02450753 (England and Wales)

Registered Charity number

1000903

Registered office

Spa Road
Starbeck
Harrogate
North Yorkshire
HG2 7JG

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees

Christopher Bratton Brown
Frances Susan Brown
Margaret Jean Scott Archer
Colin William Reid
Richard Carlton Ross Kenny (resigned 28/4/2022)
James Atkins
Pippa Jean Robson
Philip John Brown (appointed 17/5/2023)
Victoria Kathryn Oldham (appointed 17/5/2023)

Company Secretary

Frances Susan Brown

Independent Examiner

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

Bankers

Virgin Money
James Street
Harrogate
HG1 1QU

Approved by order of the board of trustees on 16 October 2023 and signed on its behalf by:

James Atkins - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**

Independent examiner's report to the trustees of Claro Enterprises ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

John Garbutt BA FCA

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

16 October 2023

CLARO ENTERPRISES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	99,126	-	99,126	128,810
Charitable activities					
Manufacturing & services	4	76,135	-	76,135	56,208
Investment income	3	890	-	890	112
Total		<u>176,151</u>	<u>-</u>	<u>176,151</u>	<u>185,130</u>
EXPENDITURE ON					
Charitable activities					
Manufacturing & services		<u>188,685</u>	<u>-</u>	<u>188,685</u>	<u>187,349</u>
NET INCOME/(EXPENDITURE)		(12,534)	-	(12,534)	(2,219)
RECONCILIATION OF FUNDS					
Total funds brought forward		331,554	180,074	511,628	513,847
TOTAL FUNDS CARRIED FORWARD		<u><u>319,020</u></u>	<u><u>180,074</u></u>	<u><u>499,094</u></u>	<u><u>511,628</u></u>

The notes form part of these financial statements

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**BALANCE SHEET****31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	10	57,538	180,074	237,612	236,603
CURRENT ASSETS					
Stocks	11	5,524	-	5,524	2,015
Debtors	12	8,448	-	8,448	7,440
Prepayments and accrued income		3,650	-	3,650	2,648
Cash at bank and in hand		266,207	-	266,207	280,669
		<u>283,829</u>	<u>-</u>	<u>283,829</u>	<u>292,772</u>
CREDITORS					
Amounts falling due within one year	13	(4,526)	-	(4,526)	(7,961)
NET CURRENT ASSETS		<u>279,303</u>	<u>-</u>	<u>279,303</u>	<u>284,811</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		336,841	180,074	516,915	521,414
ACCRUALS AND DEFERRED INCOME	14	(17,821)	-	(17,821)	(9,786)
NET ASSETS		<u>319,020</u>	<u>180,074</u>	<u>499,094</u>	<u>511,628</u>
FUNDS	15				
Unrestricted funds				319,020	331,554
Restricted funds				180,074	180,074
TOTAL FUNDS				<u>499,094</u>	<u>511,628</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

BALANCE SHEET - continued
31 MARCH 2023

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

The financial statements were approved by the Board of Trustees and authorised for issue on 16 October 2023 and were signed on its behalf by:

James Atkins - Trustee

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on the going concern basis.

Income

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

Government Grant Income

Government grant income is recognised when there is reasonable assurance that the grant will be received, and that Claro Enterprises will comply with any conditions attached to the grant.

Grants are measured using the accruals model.

Expenditure

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

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Governance costs are included within support costs, and are wholly allocated to charitable expenditure.

Allocation and apportionment of costs

Support costs are wholly allocated to the charitable activity of Claro Enterprises, which is the running of the workshop.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	5% - 33.3%
Fixtures and fittings	10% - 33.3%
Computer equipment	20% - 25%

An assessment on the appropriateness of calculating depreciation with reference to cost or with reference to net book value is made on an asset-by-asset basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Freehold buildings are not depreciated; they are carried at cost less impairment. It is the company's policy to maintain the property in an continued state of sound repair. Accordingly the trustees consider that the life of the property is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be immaterial.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Prepayments and accrued income

Prepayments are recognised when the associated payment has been made, until the associated goods or services have been received.

Accrued income is recognised as the charity becomes entitled to it and is measured at fair value.

Cash at bank and in hand

Cash at bank and in hand represents cash held and accessible immediately.

Creditors and provisions

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	8,965	6,178
Gift aid	1,042	-
Grants	89,119	122,632
	<u>99,126</u>	<u>128,810</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
North Yorkshire County Council	58,994	113,184
Other grants	30,125	-
Route One Lottery Funding	-	8,000
Coronavirus Job Retention Scheme	-	448
NYCC Stronger Communities	-	1,000
	<u>89,119</u>	<u>122,632</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>890</u>	<u>112</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Woodworking income	Manufacturing & services	32,683	26,537
Outwork income	Manufacturing & services	23,200	13,191
Service charges	Manufacturing & services	13,276	13,635
Men/Women in sheds	Manufacturing & services	6,976	2,845
		<u>76,135</u>	<u>56,208</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

5. SUPPORT COSTS

	Governance costs £
Manufacturing & services	4,706
	<u>4,706</u>

Support costs, included in the above, are as follows:

	2023 Manufacturing & services £	2022 Total activities £
Independent Examiner's remuneration	1,970	1,600
Independent Examiner's remuneration for other work	2,736	2,349
	<u>4,706</u>	<u>3,949</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Independent Examiner's remuneration	1,970	1,600
Independent Examiner's remuneration for other work	2,736	2,349
Depreciation - owned assets	2,430	4,389
	<u>4,136</u>	<u>8,338</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

8. STAFF COSTS

	2023 £	2022 £
Wages and salaries	114,843	107,604
Social security costs	4,009	3,986
Other pension costs	5,300	5,066
	<u>124,152</u>	<u>116,656</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Employees	7	7
	<u>7</u>	<u>7</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

8. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

In addition to the full time staff disclosed above, as part of Claro Enterprises' charitable activities, people with long term, severe and enduring mental health problems volunteer in our woodworking and outworking activities. These people are the beneficiaries of the charity and are referred to as our service users.

Service users are not employees and are excluded from the results above. In the year the charity provided support for an average of 70 service users (2022: 30) and service user expenses totalled £6,596 (2022: £5,770)

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	120,810	8,000	128,810
Charitable activities			
Manufacturing & services	56,208	-	56,208
Investment income	112	-	112
Total	<u>177,130</u>	<u>8,000</u>	<u>185,130</u>
EXPENDITURE ON			
Charitable activities			
Manufacturing & services	<u>179,349</u>	<u>8,000</u>	<u>187,349</u>
NET INCOME/(EXPENDITURE)	(2,219)	-	(2,219)
RECONCILIATION OF FUNDS			
Total funds brought forward	333,773	180,074	513,847
TOTAL FUNDS CARRIED FORWARD	<u><u>331,554</u></u>	<u><u>180,074</u></u>	<u><u>511,628</u></u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2022	227,051	42,300	8,812	8,263	286,426
Additions	-	-	1,307	2,132	3,439
At 31 March 2023	227,051	42,300	10,119	10,395	289,865
DEPRECIATION					
At 1 April 2022	-	34,219	7,358	8,246	49,823
Charge for year	-	1,466	622	342	2,430
At 31 March 2023	-	35,685	7,980	8,588	52,253
NET BOOK VALUE					
At 31 March 2023	227,051	6,615	2,139	1,807	237,612
At 31 March 2022	227,051	8,081	1,454	17	236,603

Freehold property relates entirely to the cost of the premises of Claro Enterprises and subsequent improvements.

£180,074 of the cost of the freehold property was provided by the National Lottery Fund and is restricted to the acquisition and refurbishment of the property occupied by the charity.

11. STOCKS

	2023 £	2022 £
Stocks	5,524	2,015

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	8,229	6,236
VAT	219	1,204
	8,448	7,440

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	2,415	5,052
Social security and other taxes	2,071	2,216
Other creditors	40	693
	<u>4,526</u>	<u>7,961</u>

14. ACCRUALS AND DEFERRED INCOME

	2023	2022
	£	£
Accruals and deferred income	12,931	5,404
Deferred government grants	4,890	4,382
	<u>17,821</u>	<u>9,786</u>

The government grant deferred income is grant payments relating to the first quarter of the year ended 31 March 2023.

	£	£
	2023	2022
Deferred income brought forward	4,832	8,809
Deferred income released in the year	(4,832)	(8,809)
Additional deferred income in the year	4,890	4,382
	<u>4,890</u>	<u>4,382</u>

15. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	At 31.3.23
	£	£	£
Unrestricted funds			
General fund	319,737	(12,534)	307,203
Development fund	11,817	-	11,817
	<u>331,554</u>	<u>(12,534)</u>	<u>319,020</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>511,628</u>	<u>(12,534)</u>	<u>499,094</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	176,151	(188,685)	(12,534)
TOTAL FUNDS	<u>176,151</u>	<u>(188,685)</u>	<u>(12,534)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	321,956	(2,219)	319,737
Development fund	11,817	-	11,817
	<u>333,773</u>	<u>(2,219)</u>	<u>331,554</u>
Restricted funds			
Lottery fund	180,074	-	180,074
TOTAL FUNDS	<u>513,847</u>	<u>(2,219)</u>	<u>511,628</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	177,130	(179,349)	(2,219)
Restricted funds			
Route One	8,000	(8,000)	-
TOTAL FUNDS	<u>185,130</u>	<u>(187,349)</u>	<u>(2,219)</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	321,956	(14,753)	307,203
Development fund	11,817	-	11,817
	<u>333,773</u>	<u>(14,753)</u>	<u>319,020</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>180,074</u>	<u>-</u>	<u>180,074</u>
TOTAL FUNDS	<u>513,847</u>	<u>(14,753)</u>	<u>499,094</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	353,281	(368,034)	(14,753)
	<u>353,281</u>	<u>(368,034)</u>	<u>(14,753)</u>
TOTAL FUNDS	<u>353,281</u>	<u>(368,034)</u>	<u>(14,753)</u>

The funds received from the National Lottery were specifically for use in the acquisition and refurbishment of the property occupied by the charity.

The development fund is designated to provide for the development of the company's aim to provide sheltered workshop facilities for the maximum number of sufferers in the future.

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

CLARO ENTERPRISES

England & Wales - Charity number 1000903

Accounts

REGISTERED COMPANY NUMBER: 02450753 (England and Wales)
REGISTERED CHARITY NUMBER: 1000903

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
CLARO ENTERPRISES**

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	Page
Report of the Trustees	1 to 8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11 to 12
Notes to the Financial Statements	13 to 21

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Purposes and Aims

The charity's purposes as set out in the objects contained in the company's Memorandum of Association are to:

- relieve poverty and distress among sufferers from schizophrenia and mental illness generally
- advance the education of persons suffering from schizophrenia or other mental illness and in particular to promote, provide and support schemes where such persons may receive training in a supportive and supervised environment.

The aims of our charity are to:

- improve the quality of life and self-esteem of those suffering from severe and enduring mental health problems
- listen to our service users and respond to their changing requirements
- support our service users by creating a working environment which is as realistic as possible
- fulfil obligations to service users as set out in the Community Care Agreement we have with North Yorkshire County Council.

Ensuring our work delivers our aims

We review our aims, objectives and activities at least annually. We consider what we have achieved, what has not gone so well and what changes need to be considered to ensure we remain focused on our stated purposes.

A principal concern for the Trustees is to maintain our support for our present service users and to develop in a way which enhances the sustainability of our service.

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives of the charity and enable it to meet its charitable purposes for the public benefit.

The focus of our work

The present focus of our work is to:

- provide a community workshop facility for those suffering from long term severe and enduring mental health problems including schizophrenia and bipolar disorder
- provide meaningful work related activity for sufferers
- provide information and support for sufferers and their carers
- support other organisations working in the same field

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

OBJECTIVES AND ACTIVITIES

Public benefit

How our activities deliver public benefit

All our charitable activities focus on helping and supporting our service users.

In the year covered by this report Claro Enterprises provided the following activities and services for its beneficiaries:

- a variety of activities and opportunities to learn new skills, including woodworking, packaging and light assembly
- training and supervision on the use of equipment and machinery and first aid
- facilitating NYCC who provided training on a range of topics which help beneficiaries manage their own mental health
- through partnerships with other local charities such as Chopsticks and Veterans Woodcraft delivering programmes in glass art and manufacture of bespoke wood craft items
- a supportive and structured environment where beneficiaries gain genuine work experience and opportunities to socialize and gain confidence
- supported work experience to help beneficiaries access work experience, volunteering and employment in external businesses and organizations
- a forum for beneficiaries to discuss and share their ideas, concerns and future requirements
- accommodation, equipment, personnel, volunteers and training to maintain a Men's Shed and develop Women's Shed facility for Starbeck
- remote support to service users following the outbreak of Covid 19 and subsequent lockdowns consisting of regular phone calls, socially distanced staff home visits to deliver work and leisure activities for example 1 - 1 walking sessions
- formation of the Route 1 Partnership which consists of four local charities which provide a wide range of complementary activities and support services. Route 1 employs a coordinator who acts as a single point of referral for Social Prescribers based in GP practices
- employment of a dedicated mental health worker who focuses on building service user confidence and self esteem to support and encourage people to try activities, education or work which match interests, skills and experience.

Our management and staff liaise closely with other agencies to ensure that the needs of service users are met and that new potential service users are made aware of Claro and its services. One of the principal benefits of our work is reduced dependence on primary and secondary health care services by our service users

Who used and benefitted from our services

Claro continued to expand service delivery through 2021/22 following the adjustments made during the Covid 19 Pandemic. We have provided long-term support to over 30 people per week who have severe and enduring mental health issues and have continued to receive referrals through the Route One mental health partnership.

Referrals are made by Social Prescribers based in GP surgeries. Those who are referred can attend for up to 12 weeks though some have stayed on as volunteers. In early 2021 this referral pathway was extended so that Community Mental Health Teams could also make referrals directly to Claro and other partners. A further 15 people have been supported through this route.

In Autumn 2021 we provided a work placement for a college student with additional needs. Two more students have since started placements and several more have attended work taster sessions.

Starbeck Men's shed has continued to thrive this year with a core membership of 15 attending regularly and a further 10 people attending intermittently. In January 2022 we started Starbeck Ladies shed which has been equally popular with 10 people regularly attending. It has an overall membership of 25 people from the local community. Older (50+) people attend the sheds to learn new skills and reduce isolation but there are also younger members of both groups.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Our principal concern is the continued wellbeing of our beneficiaries and their development, with the objective that they can take up positions in the regular employment market. It is pleasing to report that one of Claro's full time supervisors was formerly a service user, one has moved on from Claro and is now employed in another area of the county and another although still attending at Claro has taken up volunteering opportunities.

From a trading point of view this year was challenging for Claro as NYCC requirements related to Covid control measures meant that users were restricted in the number of hours they could spend at Claro. There was lower demand for our products in woodwork and in our business services department as our customers businesses suffered from the pandemic and associated economic effects.

The contractual changes implemented by NYCC have bedded down. These materially increase the administration burden on management and staff and have reduced the level of financial support previously provided by NYCC by around 40%. The impact on service users has been minimised. As a result of these changes of the 30 people regularly attending Claro 18 are funded by NYCC but since the end of the year 2 have had funding removed. Claro directly supports and funds all other service users. Claro continues to seek public and volunteer fundraising and grant support from charitable foundations and local businesses.

Despite the challenges caused by the pandemic the General Manager, the Workshop Manager and the staff succeeded in modifying Claro's approach and ensured work, activities and practical support was made available in a safe manner to service users. It is testament to their efforts that with the easing of Covid measures in June 2021 virtually all clients have returned to the charity albeit for reduced hours due to NYCC constraints.

Claro continued to work in line with local and national Covid regulations and guidelines. A number of measures were identified to help reduce the risk of Covid 19 and make Claro a Covid safe environment. These included :

- restructuring support sessions to ensure social distancing at all times
- temperature checks, handwashing and masks worn on entry
- installation of a handwashing station at the entrance - clients and staff trained in good handwashing techniques
- a range of PPE was purchased including IIR masks and face screens for those unable to wear masks
- regular handwashing breaks throughout the session
- increased cleaning schedules
- one way system in the workshop

The Management Committee is very grateful for the superb efforts made by all staff in the face of the most challenging environment imaginable.

The lower demand for our products and services remains a major challenge and risk for Claro. Financially Claro has not had to call on its reserves this year because of the success of our fundraising efforts from volunteers, local businesses and charitable foundations, tight cost control and use of the Government financial support measures such as the furlough scheme. However the ongoing impact of Covid-19 on the level of demand for services and goods and the reduced funding from NYCC remain concerns and although difficult to quantify so it is probable that there will be a future call on reserves to ensure the ongoing operation of the charity.

The management and Trustees continue to seek new customers and services both in woodwork and business services. Previous efforts have been successful but momentum was stalled during the pandemic but is now being reenergised. Claro continues to develop new wood based products which it is actively marketing. The contribution from the Men's Shed in developing and producing new products is very beneficial. Claro remains active in seeking grant and external financial support.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

FINANCIAL REVIEW

Principal funding sources

Core funding has been provided by North Yorkshire County Council. This funding has not kept pace with cost increases and its real value has been eroded over the last few years. As previously reported these arrangements changed at the end of September 2019. Following a period when the impact on Claro's financial position was minimal it is now apparent that the reduction in funding from this source is of the order of 40% due to restrictions on hours placed on Claro by NYCC and removal of support from some beneficiaries by NYCC. It is unlikely that this situation will change in future due to continuing cost pressures on NYCC

Claro received support from Tees and Esk Wear Valley (TEWV) Winter Pressures Funding, Stronger Communities, ShareGift, and Craven College. NYCC also contributed to the setting up of the Harrogate Hub. Such support and generosity is invaluable and is greatly appreciated by all at Claro.

The Charity depends on its trading activities as its other main source of funding and this income ensures financial viability and the continuation of the Charity.

We are grateful for the valuable support provided by all our funders and for the orders for goods and services received from our customers.

Investment policy and objectives

The Charity does not have a formal investment policy. The Charity's principal asset is its building which it owns and the equipment which it contains.

Reserves policy

The Management Committee has, for many years, determined that reserves not invested in fixed tangible assets should cover at least the value of two years financial support received from NYCC. This is to mitigate against loss of core funding. The Committee remains of the view that this is a prudent policy in the current economic climate and thus continues to hold significant sums in appropriate accounts. This policy is subject to regular review.

Reserves are held in a number of bank accounts and are reviewed regularly with the aim of ensuring that the amounts held in each account are adjusted to ensure that they are below the threshold which is covered by the Financial Services Compensation Scheme.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

FUTURE PLANS

In the present economic climate, the cost of living increases and the ongoing impact of Covid 19 we believe that continuing to deliver our core service is important as our service users are among the most vulnerable in society and their well being is very dependent on the Charity's existence.

We recognize that national policy is emphasizing mental health needs. During the year we continued discussions with North Yorkshire County Council about how Claro might develop its service in order to help more people in a wider variety of ways and these discussions will continue.

Claro is aware that the closure of the Briary Wing in Harrogate, along with inpatient beds, will put more pressure on the Community Mental Health and crisis teams and day facilities such as Claro will become even more important than at present. Claro staff and Trustees are working hard to develop relationships with the relevant areas of health management to discuss how we might help.

Route One - a mental health partnership with Orb, Harrogate MIND and Wellsprings Therapy - has continued to develop with funding received from TEWV Trust to establish a second referral pathway for patients supported by their Community Mental Health Teams. We have continued to receive a consistent flow of referrals from Social Prescribers and are gratified to have received very positive feedback from local GPs. Discussions continue with NYCC and Health about a longer term funding agreement for Route One.

The Trustees recognize that with the reduction in funding from NYCC, the increased cost of doing business due to inflation eg staff costs, energy costs and insurance costs and the continued downturn in commercial activity Claro is not financially sustainable in the medium term (2 - 3 years) unless something changes. This represents an ongoing challenge for the charity and is kept under close review by the Trustees.

Claro continues to monitor national and local developments in the area of mental health and well being with the aim of modifying and enhancing its services where appropriate. In particular we wish to further develop our individually tailored short term programmes for service users who could use Claro as a stepping stone back into the regular employment market.

We will continue the work we have started to increase staff flexibility and organizational capability through development and training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organization is a charitable company limited by guarantee, incorporated on 11th December 1989 and registered as a charity on 13th November 1990. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of management committee

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

Under the requirements of the Memorandum and Articles of Association one third of the Trustees, or the number closest to one third must resign at each AGM and may offer themselves for reelection if they wish.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were reclaimed from the charity by Trustees during the year.

During the year Mr Richard Kenny resigned as a Trustee and Ms Pippa Robson was appointed as a Trustee.

The Trustees are :

Mr Chris Brown reelected in October 2021 - due to resign 2024

Mr Colin Reid reelected October 2019 - due to resign 2022

Mrs Susan Brown reelected in October 2020 - due to resign 2023

Mrs Maggie Archer reelected in October 2020 - due to resign 2023

Mr Richard Kenny reelected October 2019 - resigned April 2022

Mr James Atkins reelected October 2021 - due to resign 2024

Ms Pippa Robson appointed February 2022 - due to resign 2025

Office Bearers are :

Mr James Atkins was elected as Chairman in October 2020

Mr Chris Brown was elected as Deputy Chairman in October 2020

Mrs Susan Brown was re elected as Secretary in October 2020

Organisational structure

The Management Committee met nine times during the year using Zoom to meet during Covid regulations. Charity activities and finances are reviewed at these meetings.

The meetings are attended by:

- the trustees
- a representative of the service users
- Claro General Manager

Meetings between all Claro staff and at least three of the Trustees take place when requested by staff.

Minutes and the decisions made at both of these meetings are recorded.

Induction and training of new trustees

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the Management Committee and decision making processes, the business plan and recent financial performance of the charity. They are encouraged to attend suitable external training.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees confirm that the major risks to which the charity is exposed have been reviewed and systems have been considered and, where appropriate, established to mitigate those risks to the extent that they can reasonably be mitigated.

The principal risks are :

Organisational capacity and flexibility

Of necessity the charity operates with staffing levels which ensure service user safety and maximize efficiency. As a consequence there is very little spare capacity. Most staff have been in position for a considerable number of years and have built deep levels of competence in their areas of responsibility. Prolonged periods of staff sickness or absence or staff resignations represent a significant risk to the charity as at present the flexibility of the staff is somewhat limited. There are some key roles which only one staff member can perform.

The Trustees are aware of this risk and during the year have provided training to supervisors - now business critical activities can be performed by at least two staff members. Ongoing consideration of required staff training and development to address this risk will continue through this coming year.

Financial

Any further reduction in core funding from North Yorkshire County Council would pose a significant risk to the charity. Continued liaison and cooperation with our funders helps us to demonstrate to them the value our services provide and their positive feedback is an encouragement.

Our previous reserves policy is designed to enable the charity to continue for a two to three year period should core funding be lost completely. The Trustees are of the view that the changes to funding in September 2019 coupled with the ongoing challenging commercial environment and the impact of the Covid pandemic will result in more financial pressure on Claro. Claro has now entered a period where alternative funding is being sought to ensure the charity's long term sustainability.

Although our trading income is not dependent on only one or two predominant customers this is an area we continue to have work hard on to develop additional customers. We will continue to spread the customer base and thus further reduce exposure. We set our prices at a very competitive level and concentrate on delivering high quality goods. Customer feedback indicates a high level of satisfaction with our responsiveness, quality levels and value for money.

Cash flow is not an immediate risk given our reserves position. Management review potential bad debts on an ongoing basis and bring any concerns to the attention of the Trustees.

Accounts are subject to annual independent examination. The Management Committee review management accounts and the bank statements at each of their meetings.

Compliance, Safety and Security

Policies and procedures are reviewed by the staff and Trustees on an ongoing basis and are updated as and when required.

Our Health and Safety Policy is up to date and has again been reviewed and updated along with our current safety practices in detail during the year. An external review was carried out by an experienced HSE consultant and all recommendations acted upon.

Necessary insurances, fire and intruder alarms are in place and supported where relevant by service contracts. A CCTV system has been installed to improve premises security.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02450753 (England and Wales)

Registered Charity number

1000903

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

Registered office

Spa Road
Starbeck
Harrogate
North Yorkshire
HG2 7JG

Trustees

Christopher Bratton Brown
Frances Susan Brown
Margaret Jean Scott Archer
Colin William Reid
Richard Carlton Ross Kenny (resigned 28/4/2022)
James Atkins
Pippa Jean Robson (appointed 1/2/2022)

Company Secretary

Frances Susan Brown

Independent Examiner

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

Bankers

Virgin Money
James Street
Harrogate
HG1 1QU

Approved by order of the board of trustees on 25 October 2022 and signed on its behalf by:

James Atkins - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**

Independent examiner's report to the trustees of Claro Enterprises ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

John Garbutt BA FCA
ICAEW
DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

25 October 2022

CLARO ENTERPRISES

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	120,810	8,000	128,810	194,931
Charitable activities					
Manufacturing & services		56,208	-	56,208	40,698
Investment income	3	112	-	112	222
Total		<u>177,130</u>	<u>8,000</u>	<u>185,130</u>	<u>235,851</u>
EXPENDITURE ON					
Charitable activities					
Manufacturing & services		<u>179,349</u>	<u>8,000</u>	<u>187,349</u>	<u>169,711</u>
NET INCOME/(EXPENDITURE)		(2,219)	-	(2,219)	66,140
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>333,773</u>	<u>180,074</u>	<u>513,847</u>	<u>447,707</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>331,554</u></u>	<u><u>180,074</u></u>	<u><u>511,628</u></u>	<u><u>513,847</u></u>

The notes form part of these financial statements

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**BALANCE SHEET
31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	56,529	180,074	236,603	239,816
CURRENT ASSETS					
Stocks	11	2,015	-	2,015	1,504
Debtors	12	7,440	-	7,440	5,220
Prepayments and accrued income		2,648	-	2,648	2,808
Cash at bank and in hand		280,669	-	280,669	278,655
		<u>292,772</u>	<u>-</u>	<u>292,772</u>	<u>288,187</u>
CREDITORS					
Amounts falling due within one year	13	(7,961)	-	(7,961)	(1,539)
NET CURRENT ASSETS		<u>284,811</u>	<u>-</u>	<u>284,811</u>	<u>286,648</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		341,340	180,074	521,414	526,464
ACCRUALS AND DEFERRED INCOME	14	(9,786)	-	(9,786)	(12,617)
NET ASSETS		<u>331,554</u>	<u>180,074</u>	<u>511,628</u>	<u>513,847</u>
FUNDS	15				
Unrestricted funds				331,554	333,773
Restricted funds				180,074	180,074
TOTAL FUNDS				<u>511,628</u>	<u>513,847</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

BALANCE SHEET - continued
31 MARCH 2022

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

The financial statements were approved by the Board of Trustees and authorised for issue on 25 October 2022 and were signed on its behalf by:

James Atkins - Trustee

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on the going concern basis.

Income

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

Government Grant Income

Government grant income is recognised when there is reasonable assurance that the grant will be received, and that Claro Enterprises will comply with any conditions attached to the grant.

Grants are measured using the accruals model.

Expenditure

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

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Governance costs are included within support costs, and are wholly allocated to charitable expenditure.

Allocation and apportionment of costs

Support costs are wholly allocated to the charitable activity of Claro Enterprises, which is the running of the workshop.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	5% - 33.3%
Fixtures and fittings	10% - 33.3%
Computer equipment	20% - 25%

An assessment on the appropriateness of calculating depreciation with reference to cost or with reference to net book value is made on an asset-by-asset basis.

Freehold buildings are not depreciated; they are carried at cost less impairment. It is the company's policy to maintain the property in an continued state of sound repair. Accordingly the trustees consider that the life of the property is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Prepayments and accrued income

Prepayments are recognised when the associated payment has been made, until the associated goods or services have been received.

Accrued income is recognised as the charity becomes entitled to it and is measured at fair value.

Cash at bank and in hand

Cash at bank and in hand represents cash held and accessible immediately.

Creditors and provisions

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	6,178	18,058
Grants	122,632	176,873
	<u>128,810</u>	<u>194,931</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
North Yorkshire County Council	113,184	122,578
National Lottery	-	10,000
Two Ridings	-	417
Route One Lottery Funding	8,000	14,500
Coronavirus Job Retention Scheme	448	24,949
NYCC Stronger Communities	1,000	1,474
Co-op Community	-	2,955
	<u>122,632</u>	<u>176,873</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

3. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	112	222
	<u>112</u>	<u>222</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Woodworking income	Manufacturing & services	26,537	15,257
Outwork income	Manufacturing & services	13,191	8,811
Service charges	Manufacturing & services	13,635	14,130
Men/Women in sheds	Manufacturing & services	2,845	2,500
		<u>56,208</u>	<u>40,698</u>

5. SUPPORT COSTS

	Governance costs
	£
Manufacturing & services	3,949
	<u>3,949</u>

Support costs, included in the above, are as follows:

	2022 Manufacturing & services £	2021 Total activities £
Wages	-	6,772
Independent Examiner's remuneration	1,600	1,600
Independent Examiner's remuneration for other work	2,349	1,828
	<u>3,949</u>	<u>10,200</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Independent Examiner's remuneration	1,600	1,600
Independent Examiner's remuneration for other work	2,349	1,828
Depreciation - owned assets	4,389	4,983
	<u>8,338</u>	<u>8,411</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

8. STAFF COSTS

	2022 £	2021 £
Wages and salaries	107,604	115,369
Social security costs	3,986	4,126
Other pension costs	5,066	5,377
	<u>116,656</u>	<u>124,872</u>

The average monthly number of employees during the year was as follows:

	2022 7	2021 7
Employees	<u>7</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

In addition to the full time staff disclosed above, as part of Claro Enterprises' charitable activities, people with long term, severe and enduring mental health problems volunteer in our woodworking and outworking activities. These people are the beneficiaries of the charity and are referred to as our service users.

Service users are not employees and are excluded from the results above. In the year the charity provided support for an average of 30 service users (2021: 19) and service user expenses totalled £5,770 (2021: £3,596)

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	180,431	14,500	194,931
Charitable activities			
Manufacturing & services	40,698	-	40,698
Investment income	222	-	222
Total	<u>221,351</u>	<u>14,500</u>	<u>235,851</u>
EXPENDITURE ON			
Charitable activities			
Manufacturing & services	<u>155,211</u>	<u>14,500</u>	<u>169,711</u>
NET INCOME	66,140	-	66,140
RECONCILIATION OF FUNDS			
Total funds brought forward	267,633	180,074	447,707

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>333,773</u>	<u>180,074</u>	<u>513,847</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2021	227,051	42,300	7,636	8,263	285,250
Additions	-	-	1,176	-	1,176
	<u>227,051</u>	<u>42,300</u>	<u>8,812</u>	<u>8,263</u>	<u>286,426</u>
At 31 March 2022	<u>227,051</u>	<u>42,300</u>	<u>8,812</u>	<u>8,263</u>	<u>286,426</u>
DEPRECIATION					
At 1 April 2021	-	30,805	6,600	8,029	45,434
Charge for year	-	3,414	758	217	4,389
	<u>-</u>	<u>34,219</u>	<u>7,358</u>	<u>8,246</u>	<u>49,823</u>
At 31 March 2022	<u>-</u>	<u>34,219</u>	<u>7,358</u>	<u>8,246</u>	<u>49,823</u>
NET BOOK VALUE					
At 31 March 2022	<u>227,051</u>	<u>8,081</u>	<u>1,454</u>	<u>17</u>	<u>236,603</u>
At 31 March 2021	<u>227,051</u>	<u>11,495</u>	<u>1,036</u>	<u>234</u>	<u>239,816</u>

Freehold property relates entirely to the cost of the premises of Claro Enterprises and subsequent improvements.

£180,074 of the cost of the freehold property was provided by the National Lottery Fund and is restricted to the acquisition and refurbishment of the property occupied by the charity.

11. STOCKS

	2022 £	2021 £
Stocks	<u>2,015</u>	<u>1,504</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	6,236	4,723
VAT	1,204	497
	<u>7,440</u>	<u>5,220</u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	5,052	1,127
Social security and other taxes	2,216	(308)
Other creditors	693	720
	<u>7,961</u>	<u>1,539</u>

14. ACCRUALS AND DEFERRED INCOME

	2022	2021
	£	£
Accruals and deferred income	5,404	3,808
Deferred government grants	4,382	8,809
	<u>9,786</u>	<u>12,617</u>

The government grant deferred income is grant payments relating to the first quarter of the year ended 31 March 2022.

	£	£
	2022	2021
Deferred income brought forward	8,809	3,387
Deferred income released in the year	(8,809)	(3,387)
Additional deferred income in the year	4,382	8,809
	<u>4,382</u>	<u>3,387</u>

15. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	321,956	(2,219)	319,737
Development fund	11,817	-	11,817
	<u>333,773</u>	<u>(2,219)</u>	<u>331,554</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>513,847</u>	<u>(2,219)</u>	<u>511,628</u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	177,130	(179,349)	(2,219)
Restricted funds			
Route One	8,000	(8,000)	-
TOTAL FUNDS	<u>185,130</u>	<u>(187,349)</u>	<u>(2,219)</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	255,816	66,140	321,956
Development fund	11,817	-	11,817
	<u>267,633</u>	<u>66,140</u>	<u>333,773</u>
Restricted funds			
Lottery fund	180,074	-	180,074
TOTAL FUNDS	<u>447,707</u>	<u>66,140</u>	<u>513,847</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	221,351	(155,211)	66,140
Restricted funds			
Route One	14,500	(14,500)	-
TOTAL FUNDS	<u>235,851</u>	<u>(169,711)</u>	<u>66,140</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.20 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	255,816	63,921	319,737
Development fund	11,817	-	11,817
	<u>267,633</u>	<u>63,921</u>	<u>331,554</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>447,707</u>	<u>63,921</u>	<u>511,628</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	398,481	(334,560)	63,921
Restricted funds			
Route One	22,500	(22,500)	-
	<u>420,981</u>	<u>(357,060)</u>	<u>63,921</u>

The funds received from the National Lottery were specifically for use in the acquisition and refurbishment of the property occupied by the charity.

The development fund is designated to provide for the development of the company's aim to provide sheltered workshop facilities for the maximum number of sufferers in the future.

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

17. RESERVES POLICY

The Claro service users are vulnerable. Their health and wellbeing depends on Claro being available to support them. To ensure continuity of support the Trustees have decided that reserves not invested in fixed tangible assets should cover at least the value of two years financial support received from NYCC. This policy is subject to review annually

CLARO ENTERPRISES

England & Wales - Charity number 1000903

Accounts

REGISTERED COMPANY NUMBER: 02450753 (England and Wales)
REGISTERED CHARITY NUMBER: 1000903

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
CLARO ENTERPRISES**

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	Page
Report of the Trustees	1 to 8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11 to 12
Notes to the Financial Statements	13 to 21

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Purposes and Aims

The charity's purposes as set out in the objects contained in the company's Memorandum of Association are to:

- relieve poverty and distress among sufferers from schizophrenia and mental illness generally
- advance the education of persons suffering from schizophrenia or other mental illness and in particular to promote, provide and support schemes where such persons may receive training in a supportive and supervised environment.

The aims of our charity are to:

- improve the quality of life and self-esteem of those suffering from severe and enduring mental health problems
- listen to our service users and respond to their changing requirements
- support our service users by creating a working environment which is as realistic as possible
- fulfil obligations to service users as set out in the Community Care Agreement we have with North Yorkshire County Council.

Ensuring our work delivers our aims

We review our aims, objectives and activities at least annually. We consider what we have achieved, what has not gone so well and what changes need to be considered to ensure we remain focused on our stated purposes.

A principal concern for the Trustees is to maintain our support for our present service users and to develop in a way which enhances the sustainability of our service.

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives of the charity and enable it to meet its charitable purposes for the public benefit.

The focus of our work

The present focus of our work is to:

- provide a community workshop facility for those suffering from long term severe and enduring mental health problems including schizophrenia and manic depression
- provide meaningful work related activity for sufferers
- provide information and support for sufferers and their carers
- support other organisations working in the same field

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

OBJECTIVES AND ACTIVITIES

Public benefit

How our activities deliver public benefit

All our charitable activities focus on helping and supporting our service users.

In the year covered by this report Claro Enterprises provided the following activities and services for its beneficiaries:

- a variety of workshop activities and opportunities to learn new skills, including woodworking, packaging and light assembly
- training and supervision on the use of equipment and machinery and first aid
- facilitating NYCC who provided training on a range of topics which help beneficiaries manage their own mental health
- through partnerships with other local charities such as Chopsticks and Veterans Woodcraft delivering programmes in glass art and manufacture of bespoke wood craft items
- a supportive and structured environment where beneficiaries gain genuine work experience and opportunities to socialize and gain confidence
- supported work experience to help beneficiaries access work experience, volunteering and employment in external businesses and organizations
- a forum for beneficiaries to discuss and share their ideas, concerns and future requirements
- accommodation, equipment, personnel, volunteers and training to maintain a Men's Shed and develop Women's Shed facility for Starbeck
- remote support to service users following the outbreak of Covid 19 and subsequent lockdowns consisting of regular phone calls, socially distanced staff home visits to deliver work and leisure activities for example 1 - 1 walking sessions
- formation of the Route 1 Partnership which consists of four local charities which provide a wide range of complementary activities and support services. Route 1 employs a coordinator who acts as a single point of referral for Social Prescribers based in GP practices
- employment of a dedicated mental health worker who focuses on building service user confidence and self esteem to support and encourage people to try activities, education or work which match interests, skills and experience.

Our management and staff liaise closely with other agencies to ensure that the needs of service users are met and that new potential service users are made aware of the charity and its services. One of the principal benefits of our work is reduced dependence on primary and secondary health care services by our service users

Who used and benefitted from our services

Claro reopened at the beginning of July 2020 after the initial lockdown period. We started by providing a mix of ongoing support to people at home and direct supported sessions at Claro premises. After a gradual transition we built to providing 62 support sessions at the workshop each week and in addition support over 30 people who have severe and enduring mental conditions each week.

Through Route 1 we also provided support to an further 15 people with a range of mental health issues providing packs to them at home and through telephone support.

The Men's Shed is attended by around 15 local people each week when regulations have permitted it to open.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Our principal concern is the continued wellbeing of our service users and their development such that they can take up positions in the regular employment market. It is pleasing to report that one of Claro's full time supervisors was formerly a service user and another has moved on from Claro and is now employed in another area of the county and another although still attending at Claro has taken up other volunteering opportunities..

From a trading point of view this year was difficult for Claro with the impact of the Covid pandemic. For significant periods the charity was unable to operate from its premises. There was very low demand for our products in woodwork and in our business services department as our customers businesses suffered from the pandemic.

Despite the significant challenges caused by the funding changes introduced by NYCC the General Manager, the Workshop Manager and the staff succeeded in ensuring sufficient activity for our service users and we were able to support as many service users as wished to attend. The Management Committee is very grateful for the efforts made by all staff.

The contractual changes implemented by NYCC have bedded down and although these have materially increased the administration burden on management and staff the impact on service users has been successfully minimised. As a result of these changes Claro now directly supports 19 service users financially as the support to these people previously offered by NYCC has been withdrawn. Claro continues to seek public and volunteer fundraising and grant support from charitable foundations and local businesses.

Despite the unprecedented challenges caused by the pandemic the General Manager, the Workshop Manager and the staff succeeded in modifying Claro's approach and ensured work, activities and practical support was made available to service users in their homes for those who wished during lockdown periods. It is testament to their efforts that with the easing of Covid measures in June 2021 virtually all clients have returned to the charity.

Before reopening Claro carried out a comprehensive risk assessment in line with local and national regulations and guidelines. A number of measures were identified to help reduce the risk of Covid 19 and make Claro a Covid safe environment. These included :

- restructuring support sessions to ensure social distancing at all times
- temperature checks, handwashing and masks worn on entry
- installation of a handwashing station at the entrance - clients and staff trained in good handwashing techniques
- a range of PPE was purchased including IIR masks and face screens for those unable to wear masks
- regular handwashing breaks throughout the session
- increased cleaning schedules
- one way system in the workshop

The Management Committee is very grateful for the superb efforts made by all staff in the face of the most challenging environment imaginable.

The volunteer programme introduced in 2019 had to be suspended due to Covid but will be reinvigorated in 2021.

The lower demand for our products and services remains a major challenge and risk for Claro. Financially Claro has not had to call on its reserves this year because of the success of our fundraising efforts from volunteers, local businesses and charitable foundations, tight cost control and use of the Government financial support measures such as the furlough scheme. However the ongoing impact of Covid-19 on the level of demand for services and goods will be significant although difficult to quantify so it is probable that there will be a future call on reserves.

The management and Trustees continue to seek new customers and services both in woodwork and business services. Previous efforts have been successful but momentum has been lost (principally as a result of the Covid 19 pandemic) and these programmes will be reinvigorated. Claro continues to develop new wood based products which it is actively marketing and remains active in seeking grant and external financial support.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

FINANCIAL REVIEW

Principal funding sources

Core funding has been provided by North Yorkshire County Council. This funding has not kept pace with cost increases and its real value has been eroded over the last few years. As reported above these arrangements changed at the end of September 2019. So far the impact on Claro's financial position has been minimal but this cannot be assumed going forward as cost pressures increase on NYCC.

Claro received support from NYCC Stronger Communities, The National Lottery, Coop Community Fund, ShareGift, R B Gray Trust and were generously remembered in the will of the late Stan Kaye. Such support and generosity is greatly appreciated by all at Claro.

The Charity depends on its trading activities as its other main source of funding and this income ensures financial viability and the continuation of the Charity.

We are grateful for the valuable support provided by all our funders and for the orders for goods and services received from our customers.

Investment policy and objectives

The Charity does not have a formal investment policy. The Charity's principal asset is its building which it owns and the equipment which it contains.

Reserves policy

The Management Committee has, for many years, determined that reserves not invested in fixed tangible assets should cover at least the value of two years financial support received from NYCC. This is to mitigate against loss of core funding. The Committee remains of the view that this is a prudent policy in the current economic climate and thus continues to hold significant sums in appropriate accounts. This policy is subject to regular review.

Reserves are held in a number of bank accounts and are reviewed regularly with the aim of ensuring that the amounts held in each account are adjusted to ensure that they are below the £85,000 threshold so that they are covered by the Financial Services Compensation Scheme

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

FUTURE PLANS

In the present economic climate and with the impact of Covid 19 we believe that continuing to deliver our core service is important as our service users are among the most vulnerable in society and their well being is very dependent on the Charity's existence.

We recognize that national policy is emphasizing mental health needs . During the year we continued discussions with North Yorkshire County Council about how Claro might develop its service in order to help more people in a wider variety of ways and these discussions will continue.

Claro is aware that the closure of patient beds in Harrogate will put more pressure on the Community Mental Health and crisis teams and day facilities such as Claro will become even more important than at present. Claro staff and Trustees are working hard to develop relationships with the relevant areas of health management to discuss how we might help.

A mental health partnership has been formed with Orb, Harrogate MIND and Wellsprings Therapy. The partnership received funding from the National Lottery from November 2020 to March 2021 to develop a Social Prescribing link with Harrogate District GPs. The project was a success in improving referral pathways and helping the charities connect with local people. Further funding has been secured to employ a Route 1 Coordinator to further develop the partnership over the next year. Discussions are underway with NYCC and Health about a longer term funding agreement for the Route 1 partnership.

The Trustees recognize that with the projected reduction in funding from NYCC and the continued downturn in commercial activity Claro is not financially sustainable in the medium term (2 - 3 years) unless something changes. This represents an on going challenge for the charity and is kept under close review by the Trustees.

Claro continues to monitor national and local developments in the area of mental health and well being with the aim of modifying and enhancing its services where appropriate. In particular we wish to further develop our individually tailored short term programmes for service users who could use Claro as a stepping stone back into the regular employment market.

We will continue the work we have started to increase staff flexibility and organizational capability through development and training.

Claro has formed a partnership with Leeds Metropolitan University who will second a masters student to Claro and will conduct a research project into the value such charities as Claro provide to service users and society.

We will continue the work we have started to increase staff flexibility and organizational capability through development and training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organization is a charitable company limited by guarantee, incorporated on 11th December 1989 and registered as a charity on 13th November 1990. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of management committee

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

Under the requirements of the Memorandum and Articles of Association one third of the Trustees, or the number closest to one third must resign at each AGM and may offer themselves for reelection if they wish.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were reclaimed from the charity by Trustees during the year.

During the year no new Trustees were appointed.

The Trustees are :

Mr Chris Brown reelected in October 2018 - due to resign 2021

Mr Colin Reid reelected October 2019 - due to resign 2022

Mrs Susan Brown reelected in October 2020 - due to resign 2023

Mrs Maggie Archer reelected in October 2020 - due to resign 2023

Mr Richard Kenny reelected October 2019 - due to resign 2022

Mr James Atkins reelected October 2018 - due to resign 2021

Office Bearers are :

Mr James Atkins was elected as Chairman in October 2020

Mr Chris Brown was elected as Deputy Chairman in October 2020

Mrs Susan Brown was re elected as Secretary in October 2018

Organisational structure

The Management Committee met nine times during the year using Zoom to meet during Covid regulations. Charity activities and finances are reviewed at these meetings.

The meetings are attended by:

- the trustees
- a representative of the service users
- Claro General Manager

Meetings between all Claro staff and at least three of the Trustees take place when requested by staff.

Minutes and the decisions made at both of these meetings are recorded.

Induction and training of new trustees

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the Management Committee and decision making processes, the business plan and recent financial performance of the charity. They are encouraged to attend suitable external training events and during the year two trustees attended a half day course highlighting trustees legal accountabilities.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees confirm that the major risks to which the charity is exposed have been reviewed and systems have been considered and, where appropriate, established to mitigate those risks to the extent that they can reasonably be mitigated.

The principal risks are :

Organisational capacity and flexibility

Of necessity the charity operates with staffing levels which ensure service user safety and maximize efficiency. As a consequence there is very little spare capacity. Most staff have been in position for a considerable number of years and have built deep levels of competence in their areas of responsibility. Prolonged periods of staff sickness or absence or staff resignations represent a significant risk to the charity as at present the flexibility of the staff is somewhat limited. There are some key roles which only one staff member can perform.

The Trustees are aware of this risk and during the year have provided training to supervisors - now business critical activities can be performed by at least two staff members. Ongoing consideration of required staff training and development to address this risk will continue through this coming year.

Financial

Any further reduction in core funding from North Yorkshire County Council would pose a significant risk to the charity. Continued liaison and cooperation with our funders helps us to demonstrate to them the value our services provide and their positive feedback is an encouragement.

Our previous reserves policy is designed to enable the charity to continue for a two to three year period should core funding be lost completely. The Trustees are of the view that the changes to funding in September 2019 coupled with the ongoing challenging commercial environment and the impact of the Covid pandemic will result in more financial pressure on Claro. Claro has now entered a period where alternative funding is being sought to ensure the charity's long term sustainability.

Although our trading income is not dependent on only one or two predominant customers this is an area we continue to have work hard on to develop additional customers. We will continue to spread the customer base and thus further reduce exposure. We set our prices at a very competitive level and concentrate on delivering high quality goods. Customer feedback indicates a high level of satisfaction with our responsiveness, quality levels and value for money.

Cash flow is not an immediate risk given our reserves position. Management review potential bad debts on an ongoing basis and bring any concerns to the attention of the Trustees.

Accounts are subject to annual independent examination. The Management Committee review management accounts and the bank statements at each of their meetings.

Compliance, Safety and Security

Policies and procedures are reviewed by the staff and Trustees on an ongoing basis and are updated as and when required.

Our Health and Safety Policy is up to date and will be again be reviewed along with our current safety practices in detail during the coming year

Necessary insurances, fire and intruder alarms are in place and supported where relevant by service contracts.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02450753 (England and Wales)

Registered Charity number

1000903

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

Registered office

Spa Road
Starbeck
Harrogate
North Yorkshire
HG2 7JG

Trustees

Christopher Bratton Brown
Frances Susan Brown
Margaret Jean Scott Archer
Colin William Reid
Richard Carlton Ross Kenny
James Atkins

Company Secretary

Frances Susan Brown

Independent Examiner

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

Bankers

Yorkshire Bank PLC
James Street
Harrogate
HG1 4NH

Approved by order of the board of trustees on 15 November 2021 and signed on its behalf by:

James Atkins - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**

Independent examiner's report to the trustees of Claro Enterprises ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

John Garbutt BA FCA
ICAEW
DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

15 November 2021

CLARO ENTERPRISES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	180,431	14,500	194,931	143,659
Charitable activities					
Manufacturing & services	4	40,698	-	40,698	60,299
Investment income	3	222	-	222	429
Total		221,351	14,500	235,851	204,387
EXPENDITURE ON					
Charitable activities					
Manufacturing & services		155,211	14,500	169,711	198,043
NET INCOME		66,140	-	66,140	6,344
RECONCILIATION OF FUNDS					
Total funds brought forward		267,633	180,074	447,707	441,363
TOTAL FUNDS CARRIED FORWARD		333,773	180,074	513,847	447,707

The notes form part of these financial statements

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**BALANCE SHEET
31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	10	59,742	180,074	239,816	244,799
CURRENT ASSETS					
Stocks	11	1,504	-	1,504	2,303
Debtors	12	5,220	-	5,220	11,064
Prepayments and accrued income		2,808	-	2,808	11,892
Cash at bank and in hand		278,655	-	278,655	190,143
		<u>288,187</u>	<u>-</u>	<u>288,187</u>	<u>215,402</u>
CREDITORS					
Amounts falling due within one year	13	(1,539)	-	(1,539)	(5,523)
NET CURRENT ASSETS		<u>286,648</u>	<u>-</u>	<u>286,648</u>	<u>209,879</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		346,390	180,074	526,464	454,678
ACCRUALS AND DEFERRED INCOME	14	(12,617)	-	(12,617)	(6,971)
NET ASSETS		<u>333,773</u>	<u>180,074</u>	<u>513,847</u>	<u>447,707</u>
FUNDS	15				
Unrestricted funds				333,773	267,633
Restricted funds				180,074	180,074
TOTAL FUNDS				<u>513,847</u>	<u>447,707</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

BALANCE SHEET - continued
31 MARCH 2021

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15 November 2021 and were signed on its behalf by:

James Atkins - Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Grant

Government Grant Income

Government grant income is recognised when there is reasonable assurance that the grant will be received, and that Claro Enterprises will comply with any conditions attached to the grant.

Grants are measured using the accruals model.

Expenditure

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

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Governance costs are included within support costs, and are wholly allocated to charitable expenditure.

Allocation and apportionment of costs

Support costs are wholly allocated to the charitable activity of Claro Enterprises, which is the running of the workshop.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	5% - 33.3%
Fixtures and fittings	10% - 33.3%
Computer equipment	20% - 25%

An assessment on the appropriateness of calculating depreciation with reference to cost or with reference to net book value is made on an asset-by-asset basis.

Freehold buildings are not depreciated; they are carried at cost less impairment. It is the company's policy to maintain the property in an continued state of sound repair. Accordingly the trustees consider that the life of the property is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Prepayments and accrued income

Prepayments are recognised when the associated payment has been made, until the associated goods or services have been received.

Accrued income is recognised as the charity becomes entitled to it and is measured at fair value.

Cash at bank and in hand

Cash at bank and in hand represents cash held and accessible immediately.

Creditors and provisions

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	18,058	14,495
Gift aid	-	1,836
Grants	176,873	127,328
	<u>194,931</u>	<u>143,659</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
North Yorkshire County Council	122,578	115,243
National Lottery	10,000	7,500
Two Ridings	417	4,585
Route One Lottery Funding	14,500	-
Coronavirus Job Retention Scheme	24,949	-
NYCC Stronger Communities	1,474	-
Co-op Community	2,955	-
	<u>176,873</u>	<u>127,328</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	222	429
	<u>222</u>	<u>429</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Woodworking income	Manufacturing & services	15,257	26,559
Outwork income	Manufacturing & services	8,811	20,159
Service charges	Manufacturing & services	14,130	12,982
Men/Women in sheds	Manufacturing & services	2,500	599
		<u>40,698</u>	<u>60,299</u>

5. SUPPORT COSTS

	Governance costs
	£
Manufacturing & services	10,200
	<u>10,200</u>

Support costs, included in the above, are as follows:

	2021 Manufacturing & services	2020 Total activities
	£	£
Wages	6,772	5,126
Independent Examiner's remuneration	1,600	1,600
Independent Examiner's remuneration for other work	1,828	2,683
	<u>10,200</u>	<u>9,409</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Independent Examiner's remuneration	1,600	1,600
Independent Examiner's remuneration for other work	1,828	2,683
Depreciation - owned assets	4,983	5,268
	<u>8,411</u>	<u>9,551</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

8. STAFF COSTS

	2021 £	2020 £
Wages and salaries	115,369	115,069
Social security costs	4,126	5,165
Other pension costs	5,377	5,461
	<u>124,872</u>	<u>125,695</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Employees	<u>7</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

In addition to the full time staff disclosed above, as part of Claro Enterprises' charitable activities, people with long term, severe and enduring mental health problems volunteer in our woodworking and outworking activities. These people are the beneficiaries of the charity and are referred to as our service users.

Service users are not employees and are excluded from the results above. In the year the charity provided support for an average of 19 service users (2020: 40) and service user expenses totalled £3,596 (2020: £11,033).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	143,659	-	143,659
Charitable activities			
Manufacturing & services	60,299	-	60,299
Investment income	<u>429</u>	<u>-</u>	<u>429</u>
Total	<u>204,387</u>	<u>-</u>	<u>204,387</u>
EXPENDITURE ON			
Charitable activities			
Manufacturing & services	<u>198,043</u>	<u>-</u>	<u>198,043</u>
NET INCOME	<u>6,344</u>	<u>-</u>	<u>6,344</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	261,289	180,074	441,363
TOTAL FUNDS CARRIED FORWARD	<u>267,633</u>	<u>180,074</u>	<u>447,707</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2020 and 31 March 2021	<u>227,051</u>	<u>42,300</u>	<u>7,636</u>	<u>8,263</u>	<u>285,250</u>
DEPRECIATION					
At 1 April 2020	-	26,844	5,950	7,657	40,451
Charge for year	-	3,961	650	372	4,983
At 31 March 2021	<u>-</u>	<u>30,805</u>	<u>6,600</u>	<u>8,029</u>	<u>45,434</u>
NET BOOK VALUE					
At 31 March 2021	<u>227,051</u>	<u>11,495</u>	<u>1,036</u>	<u>234</u>	<u>239,816</u>
At 31 March 2020	<u>227,051</u>	<u>15,456</u>	<u>1,686</u>	<u>606</u>	<u>244,799</u>

Freehold property relates entirely to the cost of the premises of Claro Enterprises and subsequent improvements.

£180,074 of the cost of the freehold property was provided by the National Lottery Fund and is restricted to the acquisition and refurbishment of the property occupied by the charity.

11. STOCKS

	2021 £	2020 £
Stocks	<u>1,504</u>	<u>2,303</u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	4,723	9,020
VAT	497	2,044
	<u>5,220</u>	<u>11,064</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	1,127	1,303
Social security and other taxes	(308)	3,492
Other creditors	720	728
	<u>1,539</u>	<u>5,523</u>

14. ACCRUALS AND DEFERRED INCOME

	2021	2020
	£	£
Accruals and deferred income	3,808	6,971
Deferred government grants	8,809	-
	<u>12,617</u>	<u>6,971</u>

The government grant deferred income is grant payments relating to the first quarter of the year ended 31 March 2021.

	£	£
	2021	2020
Deferred income brought forward	3,387	16,057
Deferred income released in the year	(3,387)	(16,057)
Additional deferred income in the year	8,809	3,387
	<u>8,809</u>	<u>3,387</u>

15. MOVEMENT IN FUNDS

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
Unrestricted funds			
General fund	255,816	66,140	321,956
Development fund	11,817	-	11,817
	<u>267,633</u>	<u>66,140</u>	<u>333,773</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>447,707</u>	<u>66,140</u>	<u>513,847</u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	221,351	(155,211)	66,140
Restricted funds			
Route One	14,500	(14,500)	-
TOTAL FUNDS	<u>235,851</u>	<u>(169,711)</u>	<u>66,140</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	249,472	6,344	255,816
Development fund	11,817	-	11,817
	<u>261,289</u>	<u>6,344</u>	<u>267,633</u>
Restricted funds			
Lottery fund	180,074	-	180,074
TOTAL FUNDS	<u>441,363</u>	<u>6,344</u>	<u>447,707</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	204,387	(198,043)	6,344
TOTAL FUNDS	<u>204,387</u>	<u>(198,043)</u>	<u>6,344</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	249,472	72,484	321,956
Development fund	11,817	-	11,817
	<u>261,289</u>	<u>72,484</u>	<u>333,773</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>180,074</u>	<u>-</u>	<u>180,074</u>
TOTAL FUNDS	<u>441,363</u>	<u>72,484</u>	<u>513,847</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	425,738	(353,254)	72,484
Restricted funds			
Route One	14,500	(14,500)	-
	<u>14,500</u>	<u>(14,500)</u>	<u>-</u>
TOTAL FUNDS	<u>440,238</u>	<u>(367,754)</u>	<u>72,484</u>

The funds received from the National Lottery were specifically for use in the acquisition and refurbishment of the property occupied by the charity.

The development fund is designated to provide for the development of the company's aim to provide sheltered workshop facilities for the maximum number of sufferers in the future.

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

17. RESERVES POLICY

The Claro service users are vulnerable. Their health and wellbeing depends on Claro being available to support them. To ensure continuity of support the Trustees have decided that reserves not invested in fixed tangible assets should cover at least the value of two years financial support received from NYCC. This policy is subject to review annually