

COMPANY NUMBER: 3360545
CHARITY NUMBER: 1063589

ACORN RECOVERY PROJECTS

(A COMPANY LIMITED BY GUARANTEE)

Report and Financial Statements

Year ended 31 March 2021



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Directors, Executive Officers, Advisors and Bankers

Directors

Richard Jones CBE (Chair)
Karen Ainsworth (Vice-Chair)
Andrew Henderson
Grahame N Elliott CBE
Kelly Shaw
Mushtaq Khan
Sharon Livesey
Anne Coates (resigned 1 March 2021)
Georgina Nolan (resigned 6 July 2020)
Lynn McCracken (resigned 31 March 2021)
Michelle Pilling (resigned 1 December 2020)
Sallie Bridgen (appointed 23 July 2021)
Susan Moore (appointed 23 July 2021)

Executive Officers:

Group Chief Executive Anthony Duerden

Executive Director of Group Finance
and Company Secretary Stephen Aggett

Executive Director of Group Operations Helen Thompson

Executive Director of Organisational
Development Vicki Howard

Company Lead:

Head of Wellbeing & Support Services Stacey Garvin

Registered Office

Centenary Court
Croft Street
Burnley
BB11 2ED

Registered Number 03360545

Charity Number 1063589

External Auditor

Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Solicitor

Forbes Solicitors
Rutherford House
4 Wellington Street
St. Johns
Blackburn
BB1 8DD

Bankers

National Westminster Bank
6th Floor
1 Spinningfields Square
M3 3AP

Report of the Directors

The directors are pleased to present their annual Directors' Report together with the financial statements of the charity for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The directors are also the company trustees for Charity purposes.

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

Structure, Governance and Management Structure

Acorn Recovery Projects is a registered charity with the Charity Commission and is a company limited by guarantee. Acorn owns 100% of the issued share capital of Delphi Medical Consultants Limited (Company No. 6944767) and Delphi Medical Limited (Company No. 69014150). Its registered office is Centenary Court, Croft Street, Burnley, BB11 2ED.

Group Structure

Syncora Limited (registered number 11171831) was established in 2018 as a holding company with a common board for each of its subsidiaries, which are; SafeNet Domestic Abuse and Support Services Ltd ("Safenet"), Acorn Recovery Projects Ltd ("Acorn") and Calico Enterprise Ltd ("Enterprise"). This arrangement was made to enhance continued growth by integrating service and company offers and enabling competition with larger scale 'lead' providers.

Acorn has been successfully providing abstinence based drug and alcohol treatment since 1997, originally trading as ADAS (Alcohol and Drug Abstinence Service). The organisation changed its legal and operating name formally to Acorn Recovery Projects on the 1 November 2013, when it joined the Calico Group. The Calico Group is the ultimate parent of the Syncora Group of Companies.

Delphi Medical Limited and Delphi Medical Consultants Limited ("Delphi"), subsidiaries of Acorn, provide clinical and psychosocial detoxification services which compliments existing services provided by Acorn. Delphi is the lead provider of integrated substance misuse services in Blackpool and in Manchester and Buckley Hall Prisons, working alongside Acorn.

Principal activities

Acorn Recovery Projects was incorporated as a not for profit, charitable company limited by guarantee to provide an innovative range of recovery services which enable individuals and their families to break free from drug, alcohol and other addictions. In order to help to find not just immediate recovery, but emotional, social, lifelong recovery.

At Acorn, we always see the person behind the illness. The success comes from our staff, 85% of whom, at all levels within the organisation, have been through recovery and can understand and empathise with others in similar situations.

Acorn support people throughout their recovery journey in a compassionate way, focussing on the long term solution, even beyond treatment. There are a variety of housing options available to help clients on their journey towards fully independent living.

Acorn Recovery Projects continues to serve in excess of 200 individuals at any one time through a range of services and interventions across the Lancashire, Cheshire and Greater Manchester footprint. Acorn's ability to remain resilient and strong in an ever changing environment has been key to the challenges of this financial year.

Public Benefit

The charity have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives that have been set.

Acorn undertakes and manages its activities in line with the above objectives through the provision of support contracts and work initiatives. The Directors receive regular updates on performance and feel that the objectives have been achieved as set out in the next section.

The programmes delivered by the Charity are available to anyone suffering from alcohol or drug addiction problems. Clients are referred by the judicial system or because of their own willingness to recover from addiction. The impact on the general society at large is significant if individuals abstain from their addiction as there is a clear linkage between drug and alcohol addiction and crime. Therefore, by helping people achieve and sustain abstinence, society benefits.

Objectives and Activities

Our purpose is to be a catalyst for change in people's lives and to create opportunities to help people make the positive changes they seek, contributing to the Calico Group purpose of providing quality services that make a real difference to people's lives. This is achieved through the delivery of social enterprise, skills and support contracts. The achievements are summarised in the sections below.

Acorn's Vision:

"Through commitment, creativity and expertise, Acorn will inspire and motivate change within communities and future generations by enabling individuals to achieve a Life Worth Living."

Report of the Directors (continued)

Objectives and Activities (continued)

Acorn's charitable objectives are to:

- Relieve persons with an alcoholic or drug problem by advising and assisting such persons.
- Help the families and dependents of such persons.
- To encourage and equip the recovered alcoholic or drug addict to take a useful and responsible part in society.

Acorn supports people through their recovery journey in a passionate way – going 'One Step Further' with individuals to help them achieve a life worth living.

Acorn's core values are centred around achieving abstinence based recovery – our staff team of 73 includes 85% of staff who are in recovery themselves and can share their experiences with others going through their recovery journey.

The extensive range of recovery programmes include:

- **RAMP (Reduction and Motivation Programme)**
Offers clear goals, focus and structure, helping clients to make the first steps towards recovery.
- **Ummah RAMP**
Is based on traditional RAMP principals and helps individuals to overcome the barriers and stigma around addiction within minority communities.
- **Family RAMP**
Helps relatives of clients in recovery understand the issues and provide effective support
- **Wellbeing RAMP**
Based on the Five Ways to Wellbeing (Connect, Be Active, Take Notice, Keep Learning and Give) a set of evidence-based actions to promote people's wellbeing.
- **DEAP (Dependency, Emotional, Attachment Programme)**
Explores addiction at a personal level for motivation for long-term recovery.
- **CORE (Changed Outlooks with Renewed Enthusiasm)**
With an emphasis on dealing with trauma, ACES (Adverse Childhood Experiences), commitment, attachments and readiness to change, the CORE programme will enable individuals to overcome barriers to recovery and create a life worth living.
- **STEP (a 12-step recovery programme)**
To develop a new set of skills for those committed to abstinence.
- **STAR (Skills training for people in recovery)**
A structured post-treatment programme to gain new skills and regain their independence.
- **HEART (Healthy Eating and Responsible Thinking)**
Focuses on the underlying psychological factors of obesity and weight management, the programme improves self-confidence, emotional intelligence, self-esteem and reduce stress levels
- **Mentoring**
Delivering mentoring programmes across Cheshire East/West and Warrington.

As part of the wider Calico Group, Acorn is able to widen the available support to its customers, particularly around services such as supported housing and employment opportunities where we are working with our internal partners in Calico Homes and Enterprise.

Achievements and Performance

The ongoing pandemic has led to many changes during the last 12 months. Operationally services have had to adapt and become extremely agile with restrictions and guidance changing rapidly, some of our services moved online, others provided support virtually and our residential services had to redesign areas to comply with social distancing requirements, manage Covid-19 outbreaks, deal with high levels of anxiety, find ways to keep residents and clients engaged during lock down periods when many other community services were closed, all whilst continuing to motivate residents and help them feel safe.

All services have continued to perform operationally and financially, with most contracts being extended and a small number of new contracts secured. Acorn have benefitted from several grant applications and donations.

Volunteering

One of the cornerstones is Acorn's volunteer programme which is an integral part of the journey to recovery. For many of our clients who become volunteers, one of the key features of staying well is the act of being a volunteer. The impact is based not on short term 'fixes' but a peer-led approach based on years of tried and tested experience of what really works. The volunteer programmes are robust, where volunteers are placed carefully according to their needs, skills and aspirations. During a recent review of the service one individual fed back it was significant that one of the key features of staying well and in recovery is the structure and purpose engendered by her role as volunteer and the sense of purpose in helping others. She says;

'I really enjoy the responsibility I am given ...I feel respected and valued in my role and I have learned so many new skills. My favourite part is working face to face with clients and building professional relationships which help them in their recovery'.

Volunteers within Acorn allow the organisation to utilise the most fundamental skills of lived experience and a chance to motivate people daily with stories and evidence of life changing possibilities.

Report of the Directors (continued)

Counselling

Acorn offers private 1-1 counselling further diversifying our offer and utilising the unique skills of our counselling and therapy team. This service has been available virtually during the pandemic. Acorn remain on the local NHS Trust's provider framework for IAPT (Improving Access to Psychological Therapies) interventions.

Community Services

Acorn works within a range of community settings alongside partner agencies including Delphi Medical Ltd. During the pandemic, the community teams adapted their method of delivery, modifying programmes so we could continue to deliver services to some of the most vulnerable people in society in a safe and secure way. Therapy groups were delivered virtually, whilst our RAMP programme was delivered using a newly created workbook and telephone contact. This new way of working held some challenges and teams had to work hard to keep individuals engaged, completion rates for 20/21 were 58%. Feedback shows 100% of people would recommend the service and the teams achieved 100% of contractual KPIs.

Supported Housing

Acorn offers a range of supported housing options for people who have either completed our programmes or are in recovery and in need of extra support. The projects are facilitated by highly skilled housing support staff, boasting many years' experience of working with customers with complex needs. Two of these projects work specifically with people who have experience of the criminal justice system and focus on breaking the cycle of addiction and criminality.

Whilst customers reside in our supported housing properties, there is a requirement for them to undertake voluntary work or further education and training, as our long-term aim is to promote resettlement and help individuals to live fully independent lives. This year shows the outcomes for individuals within our supported accommodation projects increased on average by 20%.

Acorn continue to work in partnership with local Councils to provide accommodation for individuals who present with complex issues and a history of homelessness. These properties offer a pathway into our abstinence-based project for those who are ready to take their first steps into recovery or alternatively the team will work with them to secure more suitable accommodation.

Prison in reach and outreach support

The contract with Delphi Medical at HMP Manchester and HMP Buckley Hall has continued to demonstrate positive outcomes with over 80 people accessing the RAMP programme. Due to the restrictions in place, the programme was adapted and delivered directly to individuals rather than in our usual group setting.

Social Enterprise

The social enterprise streams were created as a way of further extending volunteering and employment opportunities for the individuals we support and to enable us to demonstrate the social impact our services have on local families and communities.

Badkamra

Badkamra is a social enterprise film and media production company set up to promote recovery and provide inspiration to others. The team film real stories that evoke emotions and allow the viewer to connect to the person in front of the camera, hence their tag line 'Pictures that Move'. The pandemic and the ongoing restrictions have brought challenges for Badkamra this year, with production ceasing for a few months whilst staff were furloughed. Upon their return the team supported colleagues from across the Calico Group to film training and information videos as services adapted to delivery in a world of social distancing and working remotely.

Acorn Academy

Acorn Academy is unique and specialised in providing training in a range of areas for our customers, staff, professionals and organisations. The Academy is recognised as a centre for learning by the National Open College Network, and is able to develop bespoke training packages upon request. This year has seen the Academy continue to work wider in The Calico Group, specifically with Calico Enterprise and grow and widen their educational offer and enhance their reputation.

This year saw an impact to the delivery of the Academy's programmes as a result of the COVID-19 pandemic, however, the programmes were swiftly redesigned so that they could be facilitated virtually.

Current courses include:

- Combination Learning Programme: provides specific training around the major theories and practices associated with modern counselling, alongside an understanding of group facilitation and management.
- Counselling Concepts: explores the main theories and practices of modern counselling, and is useful for students thinking of embarking on a certified counselling qualification.
- Group Work Facilitation: enables students to learn about the efficient management and facilitation of group sessions, e.g. counselling, recovery and group work.
- Peer Mentoring: develops the required skills involved in forming relationships and the supporting ethos, including aspects such as healthy boundaries.

Report of the Directors (continued)

Acorn Academy (continued)

- Recovery Coaching: is designed for those who are interested in volunteering within recovery services.
- Personal Development Programme (PDP) is a four-week personal development programme focussing on behaviour, self-awareness, resilience and emotional intelligence.
- Right Start Programme: the programme, developed by the Academy in partnership with secondary schools, focuses on emotional intelligence, confidence and motivation to help the students understand themselves as individuals and address any challenging behaviour and limiting beliefs.
- Everyday Safe Programme: a domestic abuse perpetrator programme, designed to address behaviours and work towards increased emotional intelligence and self awareness to promote safety to women and children.

In 2020-21, 210 learners have benefitted from the courses and programmes developed and facilitated by the Academy.

Employees

Acorn are able to attract a diverse workforce. The diversity within Acorn Recovery Projects Limited is 58% (2020: 55%) male, 42% (2020: 45%) female, 6% (2020: 10%) who self-identify as disabled, 3% who self-identify as LGBTQ and 8% (2020: 13%) from a BAME background.

Conflict Resolution Policy

The Board Members acknowledge that regardless of the number of Boards within the Group upon which they serve, each Group Member is a legal entity in its own right, with its own distinct Board. When taking decisions, the Board Members on each Board are under a duty to act in the best interests of each separate legal entity. The rules of each Group member include appropriate wording to deal with conflicts generally, and also state that merely sitting on the Board of another Group member will not give rise to a conflict. However, in the event that circumstances arise in which the Board Members are unable to independently fulfil their duties to each Group member on which they serve (a Conflict Situation) there is a written procedure which shall be adopted.

The Board

The Board continually reviews and assesses the skills and experience necessary to ensure the effective performance of their responsibilities. Four retirements from the Common Board took place during the financial year as Members reached the end of their term of office, or for personal reasons. Two appointments have been made to the Common Board since the year-end and further appointments will be made as necessary.

The Board Members acknowledge that, notwithstanding the operation of a Common Board, each company is a legal entity in its own right, with its own distinct Board. When taking decisions, the Board members are under a duty to act in the best interests of each separate legal entity. In the event that circumstances arise in which Board Members are unable independently to fulfil their duties to each company, a written procedure is adopted. The Rules of each company provide guidance on dealing with any conflicts.

The Directors of Acorn Recovery Projects are listed on page 1. The Directors possess the skills and experience necessary to fulfil their responsibilities to the Company.

Calico carries out annual appraisals on an individual and collective basis which supports a Board development programme. This programme focuses on Board performance and ensuring the Board's future effectiveness, together with tailored events on specific business-related topics where a training need has been identified. The Board and its committees obtain external specialist advice from time to time as necessary.

In 2020, Calico launched a New Generation Board Diversity Programme aimed at young people and minority ethnic backgrounds. Calico has successfully recruited 5 New Generation Board members to its Homes and Syncora Boards and the Nominations and Remuneration Committee. The Diversity programme is run in partnership with the Housing Diversity Network and there is a training programme that supports the members for 2 years with the aim that at the end of the programme the members will be ready to move into a Board member position.

The Board delegates the day-to-day management and implementation to the Chief Executive and Executive Directors. The Executive Team meet weekly and attend Board meetings.

Syncora has insurance policies that indemnify its Board members and Executive Officers against liability when acting for the Syncora group.

New Board Members as part of their induction undergo training on their legal obligations under charity and company law; the content of the Articles of Association; the board and decision-making processes; the business plan and recent financial performance of the company. The induction programme also covers Syncora's strategy purpose, history, aims and objectives.

In order to operate effectively and ensure appropriate governance in business-critical areas the Board has delegated authority to two Group Committees.

The Non-Executive Directors are trustees for charity purposes.

Report of the Directors (continued)

Group Audit & Assurance Committee

The Group Audit & Assurance Committee met 4 times during the year. The Committee is responsible for reviewing the Calico Group's risk management framework and reports to the Board on the effectiveness of the Company's internal control arrangements. The Committee also review and consider the Calico Groups compliance with regulatory and legal requirements. The Committee addresses internal and external control issues, considering the scope of work of both internal and external audit activities including their appointments. It also considers the financial statements and recommends their approval to the Board.

Remuneration Committee

The Group Remuneration Committee met 4 times during the year. The Committee advises the Board on Non-executive member recruitment and remuneration and the appointment and remuneration of the Chief Executive and Executive Directors, taking independent advice and using consultants as necessary. The committee also sets the objectives for the Chief Executive and reviews performance against those objectives.

Pensions

Executive Directors and senior leadership are eligible to join the Social Housing Pension Scheme. The Executive Officers participate in the scheme on the same terms as all other eligible staff. Full details of the scheme are given in note 9 to the financial statements.

Risk Management

As part of the Calico Group approach to risk management, Acorn has in place a risk map which is reviewed by the Syncora Board on a quarterly basis. The directors have undertaken a review of the major strategic risks faced by the charity and have put in place systems to mitigate Acorn's exposure to the major risks.

Principal Risks and Uncertainties

Regular reporting on control issues provides assurance to successive levels of management and to the Board. It is supplemented by regular reviews by internal audit that provide independent assurance to the Board. The arrangement for review includes a rigorous procedure which is monitored internally and ensures corrective action is taken in relation to any significant control issues. The business has implemented a programme of control and risk self-assessment and is further embedding this at different levels of the organisation, which will continue to strengthen each business areas' control arrangements.

Utilising this approach the Acorn business has identified the following risks to the successful achievement of it's objectives:

- Funding from Public Services
- Sustainability of Key Contracts
- Regulatory and legislative compliance
- Health and Safety
- Robust Forecasting
- Income Management
- Capacity for Growth
- Staff retention

Plans for Future Periods

The next period will see Acorn focussing on nurturing relationships held with providers that will be key to retaining some of the already established contracts and new business to move forward. There are plans to strengthen the Group offer with Delphi Medical and Acorn hoping to secure further community and prison contracts.

Acorn's main area of expertise is residential and community rehab and this is where many providers have fallen out of the market place due to funding reductions. In areas where this has happened Acorn seem to be benefitting from these unfortunate losses and key for the charity over the next 12 months is for us to ensure our quality is high and that we remain one of the providers left to survive this difficult period of funding. With this in mind Acorn will be aiming to secure a new premise to deliver an enhanced residential rehab offer.

Acorn have plans and a Business Development strategy that will see the charity balance the risk of current contracts with new and more diverse models of delivery and services, that will make us attractive to commissioners and allow us to manage the business robustly.

Covid-19

Despite the ongoing Covid-19 outbreak, there is no expectation or evidence in the forecasts or the financial performance of the year to date that would suggest the pandemic will have a significant impact on the financial position of the business.

The Syncora Group have been undertaking regular forecast updates in each of its entities to help mitigate unexpected risks. Although the long-term effects of the Pandemic are still largely uncertain, adding in this additional exercise allows the Board to identify any potential future changes to the business.

Report of the Directors (continued)

Going Concern

The Calico Group Board is confident that Acorn Recovery Projects remains a Going Concern for the following reasons:

- Following the third lockdown announcement in January 2021, the Group Board continued its Business Continuity arrangements, which meant that all services within Acorn Recovery Projects that were able to be delivered safely were able to continue. These included services required by and provided to vulnerable tenants, supporting the amendments to compliance changes to projects within the Prisons and the transition of face to face communication to interactive communication for delivering essential therapies.
- Acorn Recovery Projects took advantage of the Furlough scheme offered by the government as the business felt the impact on the Training Academy and Bad Kamra, with services halting. The furlough income significantly reduced the negative financial impact on the business, predominantly due to the reduction of income from these halted services.
- Since the lockdown restrictions started being lifted the business remobilised including un-furloughing the staff back into their previous roles where practical. The lockdown restrictions ceased in July 2021.
- Acorn Recovery Projects are focussing on nurturing relationships held with providers that will be key to retaining some of the already established contracts and new business to move forward.
- Acorn Recovery Projects are forecasting positive cash flows and a future profitable performance.

The Group Board confirms it has a reasonable expectation that the organisation and subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

NHF Code of Governance

The Board has adopted the NHF code of Governance 2015 for the financial year ended 31 March 2021. Compliance is reviewed and self-assessed annually.

The Board confirm compliance with the Code for the full year ended 31 March 2021, with the following exceptions, it should be noted that:

Group Board member Grahame Elliott and Syncora Board member Karen Ainsworth have served on the Boards of subsidiaries, Acorn Recovery Projects and Safenet Domestic Abuse and Support Services Ltd respectively, for over 9 years. While this is not in line with best practice the Board and Audit & Assurance Committee agree that Grahame and Karen continue in their role due to the extensive knowledge, experience and skill that they bring to the Boards. Both of these positions will be reviewed annually.

In June 2021 the Group Board reviewed the Codes of Governance adopted across the Group. The Board approved that Syncora and its subsidiaries will adopt the 2020 Charity Governance Code for the year ended 31 March 2022. Group companies are working towards full compliance with the relevant Code by 31 March 2022.

Budget for 2021/22

Budgets have been prepared for the forthcoming year. The Directors are confident that the charity has sufficient resources available to be able to continue to meet its commitments and deliver upon its aims and objectives.

Investment strategy

Any surplus funds are placed on interest bearing deposits with the Charity's bankers. No other investment activity is undertaken.

Future Funding

The standard funding for Acorn Recovery Projects is through time specific contracts, usually funded through Local Authorities or sub-contractor arrangements, which year on year are becoming less in both financial value and certainty. We have seen 5+1+1 year contracts reduced to 1 and 2 year financially reduced contracts, which has put Acorn under significant pressure.

The Growth plan and Business Development Strategy for Acorn is to diversify into markets that will allow us to 'sell' our own products and our new private counselling initiative is an example of this.

Our other plans encompass more grant funding for smaller projects and a way of allowing us to pilot ideas and test the market, as opposed to entering vulnerable market places. The business is reviewing the advantages of partnering with a wider market of larger "Super Contracts" as a subcontractor who have the advantage of economies of scale and can manage the risks on our behalf while benefiting from our expertise.

The major key funding plan is to stay ahead of the changes and adapt as quickly and rapidly as possible.

Report of the Directors (continued)

Reserves Policy

The Syncora Reserves Policy states that we will aim to keep unrestricted reserves to cover at least two months of variable expenditure to cover costs that are not contract related where we may not have notice of changes. The current level of free reserves is negative £(198,000) (2020: £(673,000)). This is a calculation of the unrestricted funds less the tangible & intangible fixed assets. We have not designated anything for essential future spending. Our targeted free reserves level is £150,000. The company is committed to reduce the under provision over the next 5 years. This will take place through positive trading leading to the company holding the targeted unrestricted reserves.

The Directors will monitor and review the level of reserves annually, in line with guidance issued by the Charity Commission. As a result of this, we do not have to retain large reserves and the current level of unrestricted reserves is sufficient for this. However, reserves are also built up to enable investment in accommodation to grow and expand the service. This will be over and above those reserves represented by fixed assets within the charity's balance sheet.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and its incoming resources and application of resources, including its income and expenditure for the year.

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Charities Act 1993 and the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

All of the current directors have taken all steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information.

The directors are not aware of any relevant audit information of which the auditors are unaware.

The directors will be carrying out a tender process in respect of the auditor appointment for the next financial period.

The report of the directors has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the directors and signed on their behalf by:-



Stephen Aggett

Company Secretary

Date: 14 September 2021

For the year ended 31 March 2021

Independent Auditor's Report to the members of Acorn Recovery Projects

Opinion

We have audited the financial statements of Acorn Recovery Projects Limited for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent Auditor's Report to the members of Acorn Recovery Projects (continued)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors (who are also the trustees for charity purposes) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the computer component manufacturing and supply sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, the Charities Act 2011, and taxation legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Independent Auditor's Report to the members of Acorn Recovery Projects (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in [Note 1] were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.



Lee Cartwright (Senior Statutory Auditor)

For and on behalf of

BEEVER AND STRUTHERS

Statutory Auditor

St George's House

215/219 Chester Road

Manchester M15 4JE

Date: 24 September 2021

Statement of Financial Activities

For the year ended 31 March 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000	2020 Total £'000
Income					
Donations and legacies	2	479	-	479	30
Rent receivable		947	-	947	950
Income from charitable activities	3	2,303	-	2,303	2,770
Total income		<u>3,729</u>	<u>-</u>	<u>3,729</u>	<u>3,750</u>
Expenditure					
Expenditure on charitable activities	4	3,310	-	3,310	3,686
Total expenditure		<u>3,310</u>	<u>-</u>	<u>3,310</u>	<u>3,686</u>
Net (expenditure) for the year		419	-	419	64
Net movement in funds		419	-	419	64
<u>Reconciliation of funds</u>					
Total funds brought forward		<u>403</u>	<u>-</u>	<u>403</u>	<u>339</u>
Total funds carried forward	17	<u>822</u>	<u>-</u>	<u>822</u>	<u>403</u>

All of the activities in the financial period are derived from continuing operations.

All recognised gains and losses are included in the statement of financial activities.

The notes on pages 14 to 23 form part of these financial statements

Statement of Financial Position

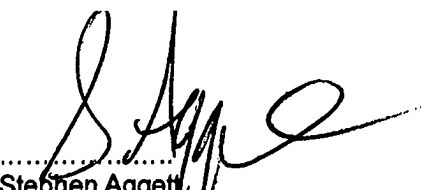
At 31 March 2021

	Note	31 March 2021		31 March 2020	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	9		957		963
Intangible assets	10		25		75
Investments in subsidiaries	11		38		38
Total fixed assets			1,020		1,076
Current assets					
Debtors	12	1,196		1,485	
Cash and bank balances		127		51	
		1,323		1,536	
Creditors: amounts falling due within one year	13	1,325		1,984	
Net current (liabilities)/assets			(2)		(448)
Total assets less current liabilities			1,018		628
Creditors: amounts falling due after more than one year	14		196		225
Net assets			822		403
Funds					
Unrestricted funds					
General fund	17		822		403
Restricted fund					
Restricted*	17		-		-
Total charity funds			822		403

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

The notes on pages 14 to 23 form part of these financial statements.

The financial statements were approved by the directors and authorised for issue on 14 September 2021 and signed on their behalf by :


.....
Stephen Aggett
Company Secretary
14 September 2021

Notes to the Financial Statements

Acorn Recovery Projects is a company limited by guarantee, registered with the Charities Commission, incorporated in England and Wales. The registered office is Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (Updated 1 January 2019) – ("Charities SORP (FRS 102)"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006, and are presented in sterling £ for the year ended 31 March 2021.

The charity meets the definition of a public benefit entity under FRS 102.

Reduced disclosure exemptions

The charity meets the definition of a qualifying entity under FRS 102 and has taken advantage of the disclosure exemptions available to it in respect of presentation of a statement of cash flows and financial instruments.

Basis of consolidation

The financial statements of the charity are consolidated in the financial statements of The Calico Group Limited, see note 21. The charity has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. These financial statements present information about the charity as an individual entity and not about its group.

Going concern basis

The directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the charity to continue as a going concern.

The Calico Group Board is confident that Acorn Recovery Projects remains a Going Concern for the following reasons:

- Following the third lockdown announcement in January 2021, the Group Board continued its Business Continuity arrangements, which meant that all services within Acorn Recovery Projects that were able to be delivered safely were able to continue. These included services required by and provided to vulnerable tenants within Lancashire Housing, additional services required by local councils to allow for government compliance, supporting the amendments to compliance changes to projects within the Prisons and the transition of face to face communication to interactive communication for delivering essential therapies.
- Acorn Recovery Projects took advantage of the Furlough scheme offered by the government as the business felt the impact on the Training Academy and Bad Kamra, with services halting. The furlough income significantly reduced the negative financial impact on the business, predominantly due to the reduction of income from these halted services.
- Since the lockdown restrictions started being lifted we started to remobilise the business including un-furloughing the staff back into their previous roles where practical. The lockdown restrictions ceased in July 2021.
- Stress testing of the business included scenarios for the areas that are likely to be most affected by the pandemic, the pausing of projects and increases in demand for vulnerable services. All the scenarios tested demonstrate that the business has sufficient funds to cover potential increases in costs because of COVID-19.

Acorn Recovery Projects is owed £568k (2020: £964k) by Delphi Medical Consultants Limited, a company with net assets of £478k. Delphi Medical Consultants Limited is owed £1.5m by Delphi Medical Limited, a company with net current liabilities of £1,728k and total net liabilities of £1,726k. Should this debt not be recovered, Delphi Medical Consultants Limited may be unable to meet its obligation to Acorn Recovery Projects.

Fees

Fees in respect of service level agreements are recognised within the statement of financial activities on an accruals basis. Income received in advance of services being performed is deferred.

Donations, legacies and other voluntary income

Donations, legacies and any other form of voluntary income or benefit to the charity are recognised within the statement of financial activities when received.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Grants

Grants receivable are recognised within the statement of financial activities in the year that they relate to.

Grants received to fund the purchase of fixed assets are recognised as incoming resources on entitlement of the grant.

Rent receivable

Rental income is accounted for on an accruals basis.

Restricted and unrestricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources receivable or generated for the object of the charity without further specified purpose and are available as general funds. This includes the funding received for the main projects from local authorities.

Expenditure allocation and apportionment

Expenditure is recognised on an accruals basis as a liability is incurred. Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, certain other expenses which are not wholly attributable to unrestricted funds are apportioned to restricted funds on a time spent basis.

Cost of generating funds comprises the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated losses. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful life of the property.

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its estimated useful economic life, as follows:

Motor vehicles	-	25% pa
Computer equipment	-	25% pa
Fixtures, fittings and equipment	-	20% pa
Leasehold improvements	-	20% pa
Freehold improvement	-	20% pa
Freehold property	-	Over 75 years
Leasehold property	-	Over 75 years
Freehold land	-	not depreciated

Intangible assets

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Subsequently, goodwill is carried at cost less accumulated amortisation and any impairment losses.

Amortisation is calculated on a straight line basis over the useful economic life.

Taxation

The company is non profit making and as a charity is exempt from Corporation Tax.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Financial Activities over the term of the lease.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Financial instruments

Financial assets and liabilities are initially measured at the transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Judgement and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statement.

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000	2020 Total £'000
Donations and similar incoming resources	479	-	479	30

During the year, voluntary income included:

- A donation totalling £25,000 (2020: £30,000) was received from the Michael Bishop Foundation
- Gift aid received totalling £200,000 (2020: £Nil) from Ring Stones Maintenance & Construction Limited
- Calico Enterprise Limited granted £200,000 (2020: £Nil)

3 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000	2020 Total £'000
Reduction & motivational programmes	784	-	784	845
Tier 4 treatment SPOT	1,272	-	1,272	1,716
Supporting people services	106	-	106	104
Social Enterprises: Education/training & employment	141	-	141	105
Total income from charitable activities	2,303	-	2,303	2,770
Contract income	1,495	-	1,495	1,704
Activities from generating funds	808	-	808	1,066
	2,303	-	2,303	2,770

Notes to the Financial Statements (continued)

4 Expenditure on charitable activities

	Therapy	Housing	Admin	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000
Employee Costs	1,502	502	238	2,242	2,485
Client and volunteer expenses	47	18	-	65	79
Rents, rates, insurance and utilities	91	277	-	368	362
Property Costs	53	40	16	109	72
Other staff costs	59	10	7	76	164
Printing, stationary and postage	10	4	-	14	23
Finance Costs	2	5	5	12	9
Legal and professional fees	29	-	-	29	48
Depreciation & Goodwill	62	11	-	74	80
Transport Costs	15	4	-	18	29
H&S, fire & security	13	85	-	98	105
Recharges and write offs	286	161	(250)	197	188
Bad Debt Prov.	(15)	-	-	(15)	0
Housing Maintenance	2	19	-	21	39
<u>Governance Costs</u>					
Audit Fees	-	-	2	2	3
	<u>2,156</u>	<u>1,136</u>	<u>18</u>	<u>3,310</u>	<u>3,686</u>

5 Net (income)/expenditure

	Note	2021 £'000	2020 £'000
This is after charging:-			
Auditor's remuneration		3	3
Depreciation of tangible fixed assets	9	23	30
Amortisation of intangible fixed assets	10	50	50
Operating Leases – Land and buildings		76	70
Operating Leases – Other		20	20
		<u> </u>	<u> </u>

Notes to the Financial Statements (continued)

6 Employees

The average monthly number of employees during the year, analysed by function, was as follows:

	2021 Number	2020 Number
Counselling and therapy	55	62
Finance and administration	8	6
Business Development	2	2
Housing Support Staff	24	25
	<u>89</u>	<u>95</u>

Staff costs consist of:	£'000	£'000
Salaries	2,008	2,227
Social security costs	188	207
Pension contributions	46	55
	<u>2,242</u>	<u>2,489</u>

Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:	2021 Number	2020 Number
Between £70,000 - £80,000	<u>1</u>	<u>1</u>

7 Board members and Executive Officers

	2021 £'000	2020 £'000
The aggregate emoluments paid to or receivable by non-executive Directors	38	42
The aggregate emoluments paid to or receivable by executive officers	83	83
The emoluments paid to the highest paid officer excluding pension contributions	64	71
Pension cost for executive officers	2	2
The aggregate amount of any consideration payable to / (receivable from) third parties for making available the services of non-executive Directors	(28)	(31)
Total key management personnel remuneration	<u>93</u>	<u>94</u>

Directors' emoluments

Directors are members of the Syncora Limited Board a holding company with a common board for each of its subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £38,000 in 2021 (2020: £42,000).

The Syncora Board receive an annual allowance. The Chair receives £6,000 and all other Board members £3,500.

Notes to the Financial Statements (continued)

8 Interest payable

	2021	2020
	£'000	£'000
Bank mortgages	5	8
Other bank	-	-
	<u>5</u>	<u>8</u>

9 Tangible Fixed assets

	Leasehold property £'000	Freehold property £'000	Motor vehicles £'000	Fixtures and fittings £'000	Freehold improvements £'000	Total £'000
<i>Cost or Valuation</i>						
At 31 March 2020	485	533	5	140	109	1,272
Additions	-	-	-	18	-	18
Disposals	-	-	(5)	-	-	(5)
At 31 March 2021	<u>485</u>	<u>533</u>	<u>-</u>	<u>158</u>	<u>109</u>	<u>1,285</u>
<i>Depreciation</i>						
At 31 March 2020	29	55	3	113	109	309
Charge for period	5	5	1	12	-	23
Disposals	-	-	(4)	-	-	(4)
At 31 March 2021	<u>34</u>	<u>60</u>	<u>-</u>	<u>125</u>	<u>109</u>	<u>328</u>
Net Book Value						
31 March 2021	<u>451</u>	<u>473</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>957</u>
31 March 2020	<u>456</u>	<u>478</u>	<u>2</u>	<u>28</u>	<u>-</u>	<u>963</u>

All assets are held for direct charitable purposes.

The freehold relating to the leasehold property is owned by the subsidiary Alcohol and Drug Abstinence Service (Management) Limited (see note 11).

The freehold property at Magda Road and Newton Place acquired in 2009 are subject to a fixed charge. Further details are disclosed in note 18.

Notes to the Financial Statements (continued)

10 Intangible Fixed assets

	Goodwill £'000	Total £'000
<i>Cost or Valuation</i>		
At 31 March 2020	251	251
At 31 March 2021	251	251
<i>Amortisation</i>		
At 31 March 2020	176	176
Charge for period	50	50
At 31 March 2021	226	226
<i>Net Book Value</i>		
31 March 2021	25	25
31 March 2020	75	75

The goodwill relates to Delphi acquisition (Note 11) and is being amortised over 5 years.

11 Investments in subsidiaries

	2021 £	2020 £
ADAS	1	1
Delphi	37,597	37,597
	37,598	37,598

ADAS

The charity owns 100% of the issued share capital of Alcohol and Drug Abstinence Service (Management) Limited, a company incorporated in England and Wales (Company No. 6545855). This company was formed to hold the freehold interest in one of the leasehold properties occupied by the charity. At 31 March 2021, the non-trading company had net assets of £1 (2020: £1) and allotted share capital of £1 (1 £1 ordinary share).

The freehold interest in the property occupied by the charity was assigned to Alcohol and Drug Abstinence Service (Management) Limited during April 2008 when a lease back to the charity was put in place at a peppercorn rent.

Delphi

The charity owns 100% of the issued share capital of Delphi Medical Consultants Limited (Company No. 6944767) and Delphi Medical Limited (Company No. 69014150), both companies incorporated in England and Wales. The companies provide medical treatment for drug and alcohol abstinence.

At 31 March 2021, Delphi had net liabilities £1,264,000 (2020: £1,469,000) following a profit for the year £213,000 (2020: loss £298,000) and allotted share capital of £1,004 (1,004 £1 ordinary shares).

12 Debtors (All amounts shown under debtors fall due for payment within one year)

	2021 £'000	2020 £'000
Trade debtors	561	488
Intercompany balance	579	956
Prepayments	48	28
Staff loans & deposits	8	14
	1,196	1,485

Notes to the Financial Statements (continued)

13 Creditors: amounts due within one year

	2021 £'000	2020 £'000
Bank loans (secured)	35	36
Trade creditors	80	64
Salary control	12	12
Deferred Income	158	31
Accruals	51	37
Intercompany balances	989	1,804
	<u>1,325</u>	<u>1,984</u>

14 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Bank loans (secured)	196	225
	<u>196</u>	<u>225</u>

Bank loans payable by instalments as follows:-

Between two and five years	144	144
After five years	52	81
	<u>196</u>	<u>225</u>

Loan account no.	Expiry	Interest Rate %	Legal charge	Balance £
44461770	April 2028	2.56%	Rosemary Court	231,228

The total bank loans of £231,228 (2020: £261,438) are secured by legal charges on Rosemary Court leasehold property. At 31 March 2021, this property has a net book value of £451,050 (2020: £455,900).

15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Fixed assets	1,020	-	1,020
Current assets	1,310	-	1,310
Current liabilities	(1,312)	-	(1,312)
Long term liabilities	(196)	-	(196)
Net assets at 31 March 2021	<u>822</u>	<u>-</u>	<u>822</u>

Notes to the Financial Statements (continued)

16 Financial commitments

The company had remaining commitments under non-cancellable operating leases as set out below:

	2021 Land and buildings £'000	2020 Land and buildings £'000
Expiry date:		
In less than one year	15	15
In two to five years	-	-
	Equipment £'000	Equipment £'000
Expiry date:		
In less than one year	4	5
In two to five years	8	7
	Vehicles £'000	Vehicles £'000
Expiry date:		
In less than one year	4	1
In two to five years	13	-

17 Movement in funds

	At 31 March 2020 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 March 2021 £'000
Total restricted funds	-	-	-	-	-
Unrestricted funds	403	3,730	(3,310)	-	822
Total funds	<u>403</u>	<u>3,730</u>	<u>(3,310)</u>	<u>-</u>	<u>822</u>

*The classification of the NHS National restricted funds has been reviewed and there is no requirement for this to be restricted as it is a contingent liability.

18 Contingent Liability

NHS National Treatment Agency for Substance Misuse - During the year ended 30 September 2010 the charity was awarded and received two grants totalling £670,000, under the Department for Health 2009–2010 Capital Funding Scheme, to acquire two further houses for accommodation. These grants are repayable on a pro-rata basis over 35 years from acquisition date if the charity ceases to provide Recovery Community Services in accordance with those currently offered within those two properties. The potential repayment is secured by a fixed charge on these properties and is restricted to the pro-rata proceeds on the sale of either property £473,000 (2020: £478,000)

19 Company exempt from requirement to use the word "Limited"

The company complies with section 60 of the Companies Act 2006 and is therefore exempt from using the word "Limited" in its title.

20 Company limited by guarantee

The company has no share capital. The liability to the members in respect of the guarantee as set out in the company's memorandum of association is limited to £1 per member. The number of members at the year end was 1 (2020: 1).

Notes to the Financial Statements (continued)

21 Parent undertaking

The Company is a 100% subsidiary of Syncora Ltd, a Company registered in England and Wales.

The directors consider The Calico Group Limited to be the ultimate parent entity.

The Syncora and Calico Group consolidated accounts which include the results of the charity can be obtained from:

- Company Secretary, The Calico Group Limited, Centenary Court, Croft Street, Burnley, BB11 2ED

No other accounts include the results of this charity.

22 Related party transactions

Sales and purchases of goods and services between related parties are at an arm's length basis at normal market prices. Any outstanding balances are unsecured and interest free, unless stated otherwise.

Calico Homes Limited make purchase ledger and payroll payments on behalf of the Syncora Group and these amounts are then recharged back to the relevant entity.

Syncora Limited ("Group"), the parent company

Directors are members of the Syncora Limited Board a holding company with a common board for each of its subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £38,000 in 2021 (2020: £42,000).

During the year, Syncora recharged the company £20,000 (2020: £14,000).

At 31 March 2021, the company owed to Syncora £1,000 (2020: £1,000).

Calico Homes Limited ("Homes"), a fellow subsidiary of Group

During the year, Homes recharged office costs and rents amounting to £257,000 (2020: £252,000).

At 31 March 2021, the company owed Homes £353,000 (2020: £1,224,000).

Ring Stones Maintenance and Construction Limited ("Ringstones"), a fellow subsidiary of Group

During a previous year, Ringstones lent Acorn £500,000 at an interest rate of base rate plus 1% and repayable by 31 March 2022. During the year, Gift Aid of £200,000 (2020: £Nil) was received from Ringstones.

At 31 March 2021, the company owed Ring Stones net including the above £500,000 (2020: £500,000).

Calico Enterprise Limited ("Enterprise"), a fellow subsidiary of Group

During the year, Enterprise supplied cleaning and catering services, and an internal apprenticeship amounting to £5,000 (2020: £Nil). Also, Enterprise granted £200,000 (2020: £Nil) to the company.

At 31 March 2021, Enterprise owed the company £11,000 (2020: £3,000).

SafeNet Domestic Abuse and Support Services Ltd ("Safenet"), a fellow subsidiary of Group

At 31 March 2021, the company owed Safenet net including the above £88,000 (2020: £78,000).

Delphi Medical Consultants Limited ("DMC"), a subsidiary of Acorn

During the year, The Company supplied no services £Nil (2020: £Nil). The company and DMC deliver joint contracts. The money for these contracts goes into Delphi.

At 31 March 2021, DMC owed the company £568,000 (2020: £954,000).

Delphi Medical Limited ("Delphi"), a subsidiary of Acorn

At 31 March 2021, the company owed Delphi £47,000 (2020: £Nil).