# PURE INNOVATIONS LIMITED

England & Wales · Charity number 1111252

## Details

| | |
|---|---|
| **Other names** | PURE INNOVATIONS |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 05241249 |
| **Registered** | 2005-09-12 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>Cheshire |
| **Phone** | 01618044417 |
| **Email** | stuart.brierley@pureinnovations.co.uk |
| **Website** | www.pureinnovations.co.uk |

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## Activities

**Objects:** 3.1 THE OBJECTS FOR WHICH THE CHARITY IS ESTABLISHED ("THE OBJECTS") ARE TO FOSTER AND PROMOTE FOR THE BENEFIT OF THE PUBLIC THE ADVANCEMENT OF EDUCATION, THE RELIEF OF POVERTY AND SICKNESS AND FOR ANY OTHER CHARITABLE PURPOSES BY ALL OR ANY OF THE FOLLOWING MEANS:3.1.1 THE RELIEF OF UNEMPLOYMENT FOR THE PUBLIC BENEFIT IN SUCH WAYS AS MAY BE THOUGHT FIT, INCLUDING ASSISTANCE TO FIND EMPLOYMENT.3.1.2 THE ADVANCEMENT OF EDUCATION, TRAINING OR RE-TRAINING PARTICULARLY AMONG UNEMPLOYED PEOPLE AND PROVIDING UNEMPLOYED PEOPLE WITH WORK EXPERIENCE AND AMONG THE PROVIDERS OF EDUCATION, TRAINING AND WORK EXPERIENCE TO BENEFICIARIES OF THE CHARITY3.1.3 THE PROVISION OR ASSISTANCE IN THE PROVISION OF CARE AND RECREATIONAL FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR THOSE WHO BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABLEMENT, POVERTY OR SOCIAL AND ECONOMIC CIRCUMSTANCES, HAVE NEED OF SUCH FACILITIES WITH THE OBJECT OF IMPROVING THE BENEFICIARIES' CONDITIONS OF LIFE3.1.4 THE PROVISION OF A BROADCASTING AND INFORMATION SERVICE FOR THE ADVANCEMENT OF EDUCATION, THE RELIEF OF POVERTY AND SICKNESS AND FOR ANY OTHER CHARITABLE PURPOSES FOR THE BENEFIT OF THE INHABITANTS OF THE METROPOLITAN BOROUGH OF STOCKPORT AND SURROUNDING DISTRICTS OR OTHER DEFINED LOCAL AREAS FOR WHICH A BROADCASTING LICENCE IS AWARDED.3.1.5 SUCH OTHER MEANS AS MAY FROM TIME TO TIME BE DETERMINED SUBJECT TO THE PRIOR CONSENT OF THE CHARITY COMMISSIONERS FOR ENGLAND AND WALES.

**Activities:** CARE SERVICESCOMMUNITY VOLUNTEERING SERVICESCATERING SERVICES INCLUDING VOLUNTEERING TRAININGEMPLOYMENT SERVICESOTHER SERVICES-Other activities include the provision of consulting

## Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Disability, Economic/community Development/employment
- **Who:** People With Disabilities

## Geography

- **Area of benefit:** METROPOLITAN BOROUGH OF STOCKPORT AND THE SURROUNDING DISTRICTS
- Throughout England

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## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £11,137,477 | £10,621,420 | £3,361,576 | 274 |
| 2024-03-31 | £8,667,037 | £8,336,586 | £7,672,519 | 257 |
| 2023-03-31 | £8,028,125 | £8,040,576 | £7,075,348 | 225 |
| 2022-03-31 | £7,155,020 | £7,465,285 | £660,799 | 228 |
| 2021-03-31 | £6,569,554 | £5,887,702 | £-2,449,827 | 223 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| Conrad Hemingway | | 2022-08-26 |
| Helen White | | 2019-06-17 |
| Jack Sharp | | 2026-03-01 |
| Jean Donald Walker | | 2021-01-14 |
| Lucy Elizabeth Powis | | 2021-01-14 |
| Nina Hinton | | 2018-02-22 |
| Paul Greenhalgh | | 2022-09-12 |
| Stephen Bradshaw | | 2024-01-09 |

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**PURE INNOVATIONS LIMITED**

England & Wales - Charity number 1111252

# Accounts

Company Registration Number: 5241249
Charity Number: 1111252

# PURE INNOVATIONS LIMITED

## A COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended
31 March 2025

# PURE INNOVATIONS LIMITED

**Financial Statements**
**Year ended 31 March 2025**

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# PURE INNOVATIONS LIMITED

## Legal and Administrative Details

| | |
|---|---|
| **Company number** | 5241249 |
| **Charity number** | 1111252 |
| **Registered office** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Principal address** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Trustees** | Miss N Hinton<br>Mrs H White<br>Mrs L Powis<br>Ms J Walker<br>Mr P Greenhalgh<br>Mr C Hemingway<br>Mr S Bradshaw<br>Mrs D Laming (appointed 18th June 2025) |
| **Corporate Management Team** | Mr S Brierley - Director of Finance<br>Mrs L Parrott-Bates - Chief Executive<br>Mr P Locke - Director of Infrastructure<br>Miss Monika Wieczorek-Alhamoud - HR Director<br>Mrs A Noon - Director of Learning and Development<br>Mrs D Sidderley – Director of Employment |
| **Bankers** | The Co-operative Bank Plc<br>1 Balloon Street<br>Manchester<br>M4 4BE |
| **Auditors** | Mitchell Charlesworth (Audit) Limited<br>3rd Floor<br>44 Peter Street<br>Manchester<br>M2 5GP |

## Trustees' Report
## Year ended 31 March 2025

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with 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).

**Purposes and Activities**
Pure Innovations aims to foster and promote for the benefit of the public, the advancement of education, the relief of poverty and sickness and for any other charitable purposes by all or any of the following means:

- The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.
- The advancement of education, training or re-training, particularly amongst unemployed people and providing unemployed people with work experience and among the providers of education, training and work experience to beneficiaries of the Charity.
- The provision or assistance in the provision of care and recreational facilities in the interests of social welfare for those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities with the object of improving the beneficiaries' conditions of life.

The overall aim is to promote independence, increase choice and provide more appropriate support to people to make the most of their capacity and potential.

Following the transfer of the undertaking from Stockport MBC Social Services Department on 1st July 2005, the following activities have been developed:

**Care activities**

We provide support for clients that are neurodivergent, people with learning disability, and or mental or physical and sensory disability, assisting them as individuals to develop skills, independence and wellbeing as much as possible.

This could be undertaken within our catering services offer. In the four cafes which we run we offer training opportunities in customer care, health and safety and food hygiene. We have transformed one of our previous cafes into a space producing bread and cake supplying both our own cafes and small independent cafes in the area. All produce is made by our clients with a disability.

Other opportunities exist through the One Voice, which seeks to raise awareness throughout Stockport of the issues faced by people who are from the most disadvantaged area by producing material for a community radio station. We also have various arts, and animation offers in various locations and we are looking to develop and broaden these for the benefits of the client group. This has included developing a ceramics, animation and gaming offer to our clients in Stockport.

Throughout this document the people we support are referred to as clients, students or learners depending on the service activity.

**Pure Innovations' Employment Services** are dedicated to helping individuals who are long-term unemployed or socially disadvantaged—especially those overlooked or excluded by mainstream service providers—find meaningful and lasting employment. We collaborate with major public and private sector employers to promote inclusive hiring practices. Through education, encouragement, and ongoing support, we help these employers build diverse teams that include people with disabilities. A key focus of our service is supporting individuals at risk of losing their jobs, working to identify and implement strategies that help them remain employed. To further assist employers, we offer free disability awareness training to their workforce. This not only helps diversify their teams but also enhances the skills and understanding of their existing employees.

We offer a wide range of **Education and Training courses,** including both accredited and non-accredited programmes. One of our key initiatives is our travel training programme, which operates across several boroughs in Greater Manchester. Our approach focuses on building independence and practical skills, helping to improve life opportunities—particularly for young people with special educational needs. We work closely with education providers to ensure that employment is a realistic and aspirational outcome for these individuals.
In addition, we operate 13 Supported Internship sites across Greater Manchester in partnership with major corporate and public sector organisations. These internships are designed to increase the number of people with additional needs moving into sustainable employment.

**Pure College** became operational in September 2022 and opened its doors as a post-16 specialist college for young people with an Education Health and Care Plan. The courses delivered aim to prepare people for independence and employment to give them increased opportunities to secure long term employment and the necessary, associated skills. Each student works towards achieving either a regulated qualification or bespoke outcomes through a RARPA-based curriculum (Recognising and Recording Progress and Achievement). Learners are also supported to improve their maths and English skills as well as work towards the outcomes identified on their Education, Health and Care Plan. This has allowed the charity to draw down income from a new stream of funding from the Department of Education otherwise only accessible to approved education providers.

**Community Hub –** Through a direct contract with Stockport MBC, we operate as a central point of contact for anyone in the Borough with a social need. By working with a network of subcontractors and delivering services directly where needed, we aim to address as many of these identified needs as possible. This proactive, preventative approach is designed to delay or reduce the need for more intensive health and social care interventions. A key focus is tackling loneliness and social isolation—growing concerns in many communities. The Community Hub seeks to improve wellbeing by helping individuals reconnect with their local communities and rediscover a sense of purpose and belonging. We provide a safe, welcoming space where people can build meaningful connections, strengthen their support networks, and develop greater resilience and independence.

**The Mental Health Network,** commissioned by Stockport MBC, supports individuals with enduring mental health challenges by promoting community integration and helping them connect with activities and areas of personal interest. Taking a holistic approach to health and wellbeing, the Network offers access to complex caseworkers and delivers a specialist counselling service. The team also facilitates a range of support and peer groups, alongside more intensive therapy-based counselling sessions. These services are designed to equip individuals with the tools, insight, and supportive networks they need to sustain their mental wellbeing. As a result, people are less reliant on clinical interventions, helping to prevent escalation into more intensive, costly, and restrictive services. This proactive approach has led to opportunities for direct funding and commissioning from the NHS.

Additionally, we are contracted by Pennine NHS to deliver Individual Placement Support (IPS) for people with severe mental illness across all ten Greater Manchester local authority areas. This service focuses on helping individuals with a mental health or learning disability diagnosis secure meaningful employment.

We support over 1200 clients with a learning disability, social, emotional and mental health difficulties or with neurodiversity across Greater Manchester to have fulfilled days with meaning and purpose. Our support leads to many people becoming better integrated within their local communities, to work in projects of interest that build independence, social skills, confidence, and community engagement. Many of these projects have become a valuable community resource and our clients have contributed to these in many ways

**Public benefit**
The main activities are outlined in the section above. They are all undertaken to further the charity's purpose for the public benefit, with due regard to the Charity Commission's guidance on this subject, including the guidance "Public benefit: running a charity (PB2)."

**Achievements and Performance**

We provide a range of support services across Greater Manchester. Over the course of the year, we have secured paid work for 200 people and 55 young people have been travel trained to use public transport independently; 32 young people are on track to achieve accreditation for learning. We have supported 300 people in Pure Support and care to engage in meaningful activities and 150 people are better connected to their communities or have been supported through our mental health network and talking therapies.

The activities provided for the clients were in the areas of:

- Arts, Pottery and Drama
- Catering and Retail
- Greenspace
- Health and Wellbeing
- Talking Therapy
- Learning Programmes – Work and Life skills
- Pre-Employment and Placement
- Supported in-house session
- Supported Internship
- Travel Training
- Supported Employment
- Health and wellbeing
- Cookery and Baking
- Sport and Exercise
- Music and Dance
- Health and Beauty
- IT
- Woodwork

We survey our clients on a regular basis, and some of the recent outcomes are listed below.

In our most recent venture in opening ***Pure College*** our students have told us the following:

| | |
|---|---|
| Do you feel safe at College | 91% responded yes |
| You are learning at College | 86% responded yes |
| You are becoming more independent at College | 81% responded yes |
| The course is preparing you for work | 81% responded yes |
| You have made friends at College | 86% responded yes |

In terms of ***Supported Employment Services,*** people told us the following:

| | |
|---|---|
| Do you feel that your employment goals were achieved | 92% responded yes |
| Do you feel that you were given the preparation for work | 89% responded yes |
| Do you feel that we understood your aspirations and help identify your goals | 87% responded yes |

In our ***Support and Care*** provision they told us the following:

| | |
|---|---|
| Are staff caring and kind | 97% responded yes |
| Do you enjoy the project you attend | 100% responded yes |
| Do you feel you're listened to and heard | 96% responded yes |

Our ***staff survey*** resulted in 60% of staff completing and telling us the following:

| | |
|---|---|
| I feel valued and recognised for the work I do | 73% responded yes |
| We all take Health and Safety seriously | 96% responded yes |
| Senior leaders make the effort to listen to the team | 83% responded yes |
| I think I have a good balance between my work and personal life | 89% responded yes |
| I feel the work I do at Pure positively impacts on clients lives | 99% responded yes |
| I feel Pure cares about my wellbeing and mental health | 89% responded yes |

**Financial review**

We have managed to achieve another year of profitable trading. This has been achieved despite austerity measures in the public sector continuing to impact upon most income streams of the business and this still constitutes a major challenge for the foreseeable future.

The main sources of income are in delivery of services funded by local authorities, colleges and through other government contracts. However, there is an increasing reliance upon clients in charge of their own budgets, opting to use that money to spend on our service delivery to them. We are seeking to provide a level of service which goes beyond just retaining those individuals but adding to their number.

The charity's profit for the year (excluding pension service costs) at £309k .

The accounting treatment of the GMPF pension fund has changed and we have not recorded the surplus on our portion of the fund as at the end of the financial year, and the defined benefit pension scheme asset has been derecognised.

The risk register identifies the major risks as being around the loss of key staff and generally high staff turnover in the business, reductions in income for delivery of core services in response to public sector austerity cuts and the impact of failures of IT systems.

We raised salary levels in response to the identified risk and that has resulted in a better recruitment and retention of those types of employees. We are also investing in new IT systems that will add to our operational efficiency, although the risk of failure of those systems is a constant risk which we continue to monitor regularly.

**Reserves policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergencies.

The Board of Trustees has set a minimum reserves target based on potential closure costs and the financial risks associated with ending contracts. The current level of reserves exceeds this minimum threshold. In the coming months, the Board will consider how best to use the surplus funds to benefit the organisation's beneficiaries.
At the same time, the Trustees are also reviewing the need for additional reserves to support potential future investment.

**Investment powers and policy**

The investment approach has been reviewed to ensure that the company's cash balances are as secure as possible and that an element of those balances are invested with a view to retaining their spending power after taking into account the effect of inflation.

**Plans for future periods**

There has been investment in the business, principally in IT systems, and upgrading of properties we occupy, either by internal refurbishment or moving to more appropriate buildings. The intention is that this will ultimately improve our performance and profitability, continuing to retain our existing contracts that align to our strategic objectives, bid for work in our area of knowledge and expertise and grow new funding streams.

**Research and development activities of the charity**

We continue to look at identified areas of good practice across the UK to replicate and enhance our offer and therefore improve the outcomes for disabled and disadvantaged people in our communities.

Over the past 12 months, we have focused on becoming a more digitally aware organisation. This includes embracing opportunities, where appropriate, to integrate Artificial Intelligence (AI) into our practices and better meet the expectations of younger people engaging with our service. As most of our work takes place remotely within the community, we are also working towards becoming a paperless organisation, with a strong emphasis on ensuring online access to our services.

Our work replicates part of the government's agenda of supporting as many people as possible into employment who are in receipt of benefits. We will pilot new initiatives to achieve this with people furthest away from the labour market.

**Social, economic and environmental Impact**

As a charity, we measure the impact of our work through a combination of data collection, feedback, and evaluation methods. We monitor individual progress using outcomes such as improved wellbeing, skills development, and increased independence, which in turn enhance access to opportunities. From an economic perspective, we assess how our support helps people gain employment and achieve financial stability and independence. At the community level, we tackle issues such as isolation and loneliness by fostering social engagement, building connections, and encouraging local collaboration. Environmentally, we evaluate our initiatives by measuring resource usage, promoting sustainable practices, and tracking the positive ecological changes driven by our projects.

**Structure, governance and management**

**Governing Document**

The organisation is a charitable company that is limited by guarantee. The company was incorporated on 24th September 2004 and registered as a charity on 12th September 2005. The Company was established under a Memorandum of Association which defines the objects and powers of the charitable company and is governed under its Articles of Association. After the end of the financial year a resolution was passed to amend the Articles Of Association and the board of trustees have approved amended internal governance rules.

**Recruitment and appointment of Trustees**

Members of the Board of Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles of Association are known as Trustees. Under the requirements of the Memorandum and Articles of Association trustees are appointed for a term of 3 years that can be renewed for a further 2 terms of 3 years and in exceptional circumstances, if 75% of the members think that it is in the best interest of the charity, they can be appointed for a further period.

**Trustee induction and training**

We have developed a trustee induction pack, and training is undertaken with the trustees in accordance with the training plan identified following annual trustee appraisals.

**Reference and administrative details**

Reference and administrative details are shown in the legal and administrative details page of the financial statements.

**Organisation**
The directors of the charitable company (the Charity) are its trustees for the purpose of Charity law and directors for the purpose of Company law. The trustees who served the charity during the year were as follows:

**Key management personnel: Trustees' and Directors**

| | |
|---|---|
| Joint Chair: | Ms N Hinton |
| | Ms J Walker |
| Trustees: | Mrs H White |
| | Mrs L Powis |
| | Mr P Greenhalgh |
| | Mr C Hemingway |
| | Mr S Bradshaw |
| | Mrs D Laming (appointed 18th June 2025) |

**Key management personnel: Executive Management Team**

| | |
|---|---|
| Director of Finance | Mr S Brierley |
| Chief Executive | Mrs L Parrott-Bates |
| Director of Infrastructure | Mr P Locke |
| Director of Learning and Development | Mrs A Noon |
| HR Director | Miss Monika Wieczorek-Alhamoud |
| Director of Employment | Mrs D Sidderley |

The Board of Pure Innovations which comprises the trustees of the charity meet bi-monthly. Members of the Executive Management Team are in attendance for those meetings. The trustees are responsible for the strategic direction and policy of the charity. A scheme of delegation is in place and day-to-day responsibility for the provision of services rests with the Chief Executive and other members of the Executive Management Team. The Chief Executive has overall responsibility for ensuring that the charity delivers the services specified through the day-to-day operational management of the company, and individual supervision of the other members of the Executive Management Team.

**Employees and employment of disabled persons**

Pure Innovations recognises its role and responsibilities within the local community in identifying and removing those barriers, which prevent disabled people from sharing equally in the rights, benefits, obligations and opportunities to undertake meaningful employment. Pure Innovations actively encourages the employment of colleagues with a disability and is recognised as a Disability Confident Employer by the DWP. We have a strong track record in attracting and retaining people with a disability at all levels of the charity. We regularly make reasonable adjustments for new and existing colleagues to provide holistic support to enable them to fully participate in the workplace and fulfil their potential. At Pure Innovations, 11.5% of the current workforce identifies as having some form of disability. We believe this to be a conservative figure as some employees chose not to declare their disability or do not regard themselves as such.

Pure recognises that as a specialist employer in the local community it has the opportunity to achieve a significant impact on opportunities for disabled people via the development of its employment policy and promotion of work-related positive action initiatives. These help to counteract longstanding disadvantages in gaining access to work and remaining in employment should a person become disabled during their working lives.

Pure Innovations is committed to the creative use of existing resources and the development of imaginative initiatives including job tasters, job trials and job carving. This is enhanced by regular staff briefings and newsletters, team meetings, supervisions and an appraisal system which identifies training and development needs. Within the Pure group there is an exchange of good practice, staff attend disability awareness training and successful developments are promoted on our website and in our social media. Our vacancies are advertised concurrently, internally and externally and staff are encouraged to apply for promotion when they feel ready to do so. We have a succession policy in place which identifies and supports those we see as the potential future leaders of the charity.

**Employee involvement**

Involving all employees is fundamental to how the Company operates, with open communication at all levels. The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect them.

Employee involvement is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the concern plays a major role in maintaining and growing its position.

New employees attend an induction process during the early days of their employment. Included within the induction phase is a session on the company's values which underpins the company's approach to staff, volunteers and service users. Pure's values are as follows:

| | |
|---|---|
| Respectful ..... | Always treat people the way you would wish to be treated no matter what the situation. |
| Responsive ..... | By listening to others, we solve problems by finding solutions. |
| Aspirational ..... | Achieve the best possible outcomes by continually improving what we do. |
| Inclusive ..... | We are welcoming and involve all in what we do. |

**Pay policy for senior staff**

The pay of the Executive Management Team has been determined by the Board of Directors.

**Related parties and co-operation with other organisations**

Helen White is director of a marketing organisation to which Pure Innovations pays a small annual subscription, none of our trustees receive remuneration or other benefit from their work with the charity.

We have several partnership links outside of the contractual relationships identified above, these partnerships links are with a wide variety of organisations who we work in collaboration with.

**Risk management**

A risk register has been prepared using Charity Commission guidance on the subject. These have been approved by the Board of Trustees and amended (where appropriate) to changes in the organisation and also in external factors. The risks are identified along with the potential impact and the steps to mitigate risk. Each risk is then scored by using the formula (a+b+b) where a = Likelihood and b= Potential impact, and those with a deemed high score are subject to review and action to monitor the major risks.

**Trustees' responsibilities in relation to the financial statements**

The charity trustees (who are also directors for the purpose of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees 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 assume that the company will continue in business.

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

The trustees 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 in governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**

Mitchell Charlesworth was appointed as auditor at the last AGM in April 2024 and, in accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Mitchell Charlesworth was passed by the Board of Trustees at Pure Innovations Annual General Meeting in April 2025.

**Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors is unaware; and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the trustees

**N Hinton**
Trustee

Date 15th October 2025

## Independent Auditor's Report to the Members of Pure Innovations Limited
## Year ended 31 March 2025

### Opinion

We have audited the financial statements of Pure Innovations Limited for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet and Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025, and of the charity's incoming resources and application of resources 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 trustees' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ·the trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report.
- sufficient accounting records have not been kept.
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the group or the parent charity 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the organisation's performance
- the organisation's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: (i) The presentation of the charitable company's Statement of Financial Activities, (ii) the charitable company's accounting policy for revenue recognition, (iii) the classification of restricted funds in the financial statements, and (vi) the management override of controls. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local taxation legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. The key laws and regulations we considered in this context included employment law, health and safety at work, GDPR, and the UK Companies Act and Charities SORP.

**Audit response to risks identified**

As a result of performing the above, we identified the recognition of revenue as the key audit matter related to the potential risk of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements.
- enquiring of management and members of the board concerning actual and potential litigation and claims.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

**Use of our report**

This report is made solely to the charity's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Alison Buckley (Senior Statutory Auditor)**
**For and on behalf of Mitchell Charlesworth (Audit) Limited**

**Statutory Auditor**

3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth (Audit) Limited is eligible to act an auditor in terms of section 1212 of the Companies Act 2006.

# PURE INNOVATIONS LIMITED

## Statement of Financial Activities (incorporating income and expenditure account)
## Current Year - Year ended 31 March 2025

| | Notes | Unrestricted Funds | Restricted Funds | Pension | Total Funds 2025 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income** | | | | | |
| Donations and legacies | | - | - | - | - |
| Other trading income | | - | - | - | - |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 5 | **10,865,065** | **11,276** | **-** | **10,876,341** |
| Investment Income | 6 | **38,136** | **-** | **223,000** | **261,136** |
| **Total income** | | **10,903,201** | **11,276** | **223,000** | **11,137,477** |
| **Expenditure** | | | | | |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 7 | **(10,599,620)** | **(5,800)** | **(16,000)** | **(10,621,420)** |
| **Total expenditure** | | **(10,599,620)** | **(5,800)** | **(16,000)** | **(10,621,420)** |
| **Net incoming resources before other recognised gains and losses** | | **303,581** | **5,476** | **207,000** | **516,057** |
| Other recognised losses | 9 | - | - | - | - |
| **Net incoming resources before other recognised gains and losses** | | **303,581** | **5,476** | **207,000** | **516,057** |
| Derecognition of the defined benefit pension scheme asset | 20 | - | - | **(4,827,000)** | **(4,827,000)** |
| **Net movement in funds** | | **303,581** | **5,476** | **(4,620,000)** | **(4,310,943)** |
| Total funds brought forward | | **3,047,719** | **4,800** | **4,620,000** | **7,672,519** |
| **Total funds carried forward** | | **3,351,300** | **10,276** | **-** | **3,361,576** |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Statement of Financial Activities (incorporating income and expenditure account)
## Prior Year - Year ended 31 March 2024

| | Notes | Unrestricted Funds (as restated) £ | Restricted Funds (as restated) £ | Pension £ | Total Funds 2024 £ |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Donations and legacies | | - | - | - | - |
| Other trading income | | - | - | - | - |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 5 | 8,444,457 | - | - | 8,444,457 |
| Investment Income | 6 | 49,580 | - | 173,000 | 222,580 |
| **Total income** | | 8,494,037 | - | 173,000 | 8,667,037 |
| **Expenditure** | | | | | |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 8 | 8,289,586 | - | 47,000 | 8,336,586 |
| **Total expenditure** | | 8,289,586 | -- | 47,000 | 8,336,586 |
| **Net incoming resources before other recognised gains and losses** | | 204,451 | - | 126,000 | 330,451 |
| Other recognised losses | 9 | (286,426) | (275,854) | - | (562,280) |
| **Net incoming resources before other recognised gains and losses** | | (81,975) | (275,854) | 126,000 | (231,829) |
| Actuarial surplus on defined benefit pension scheme | | - | - | 829,000 | 829,000 |
| **Net movement in funds** | | (81,975) | (275,854) | 955,000 | 597,171 |
| **Transfers** | | (4,800) | 4,800 | - | - |
| Total funds brought forward | | 3,134,494 | 275,854 | 3,665,000 | 7,075,348 |
| **Total funds carried forward** | | 3,047,719 | 4,800 | 4,620,000 | 7,672,519 |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Balance Sheet
## Year ended 31 March 2025

| | Notes | £ | 2025 £ | £ (as restated) | 2024 £ (as restated) |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | **417,437** | | 439,185 |
| Investments | 14 | | **407,278** | | 213,002 |
| | | | **824,715** | | 652,187 |
| **Current assets** | | | | | |
| Stocks | 15 | **45,940** | | 57,871 | |
| Debtors | 16 | **1,334,730** | | 2,018,286 | |
| Investments | 17 | **11,235** | | 19,435 | |
| Cash at bank and in hand | | **1,914,733** | | 825,686 | |
| | | **3,306,638** | | 2,921,278 | |
| Creditors: amounts falling due within one year | 18 | **(769,777)** | | (520,946) | |
| **Net current assets** | | | **2,536,861** | | 2,400,332 |
| **Total assets less current liabilities** | | | **3,361,576** | | 3,052,519 |
| Defined benefit pension scheme asset | 21 | | - | | 4,620,000 |
| **Total net assets** | | | **3,361,576** | | 7,672,519 |
| **Funds** | | | | | |
| Unrestricted funds: | | | | | |
| General | 22 | | **3,351,300** | | 3,047,719 |
| Pension fund reserve | 19 | | - | | 4,620,000 |
| **Total funds** | | | **3,351,300** | | 7,667,719 |
| Restricted funds | 23 | | **10,276** | | 4,800 |
| | | | **3,361,576** | | 7,672,519 |

**These financial statements were approved by the members of the committee on** 16/10/25 **and are signed on their behalf by:**

N H —.

**N Hinton**
**Trustee**

**Company Registration No. 5241249 (England and Wales)**

# PURE INNOVATIONS LIMITED

## Consolidated Statement of Cash Flows
## Year ended 31 March 2025

| | Notes | 2025 £ | 2025 £ | 2024 £ | 2024 £ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash generated in operating activities | 24 | | **1,475,707** | | (1,006,707) |
| **Cash used in investing activities** | | | | | |
| Purchase of tangible fixed assets | | **(230,448)** | | (195,798) | |
| Disposal proceeds of tangible fixed assets | | **-** | | - | |
| Disposal of Investments | | **39,683** | | 267,496 | |
| Purchase of Investments | | **(234,031)** | | (83,313) | |
| Interest income | | **38,136** | | 49,580 | |
| **Net cash used in investing activities** | | | **(386,660)** | | 37,965 |
| **Net increase in cash and cash equivalents** | | | **1,089,047** | | (968,742) |
| Cash and cash equivalents at beginning of year | | | **825,686** | | 1,794,428 |
| **Cash and cash equivalents at end of year** | | | **1,914,733** | | 825,686 |

## 1. Company information

Pure Innovations Limited is a private company limited by guarantee and incorporated in England and Wales. The registered office is Unit 5, Station View, Hazel Grove, Stockport, SK7 5ER.

## 2. 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 the charity's governing document, the Companies Act 2006 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

### Going concern

The Trustees have assessed whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

Having regard to these matters the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

### Income

Income is the amount derived from the provision of goods/services and stated after trade discounts, other sales taxes, and VAT where applicable.

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the grant are not yet met.

Investment income is recognised on a receivable basis.

## 2. Accounting Policies (continued)

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the delivery of its activities and services provided for its beneficiaries and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis as detailed in the accounts.
- Other expenditure represents those items not falling into any other heading.

### Funds structure

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 26 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

### Volunteers

The value of services provided by volunteers is not included in the financial statements.

### Donated goods, services, and facilities

On any occasion where goods and services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. Any goods given to the charity and held for stock are only recognised in the year that the goods are distributed or used.

### Tangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---|---|---|
| IT equipment | - | 33% of cost |
| Catering equipment | - | 20% of cost |
| Fixtures and fittings | - | 25/33% of cost |
| Leasehold improvements | - | 10/20% of cost |
| Motor vehicles | - | 33% of cost |

## 2. Accounting Policies (continued)

### Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

### Stocks

Stock is included at the lower of cost or net realisable value.

### Pensions

The company operates two pension schemes for employees.

Employees of Pure Innovations Limited have been eligible to join the Greater Manchester Pension Fund, which is a defined benefit scheme. It is funded by contributions from employees and the Company as an employer. The assets of the scheme are held separately in a fund administered for the benefit of Local Authority employees and those other scheduled bodies.

Following auto enrolment, the charity also operates a defined contribution pension scheme operated by NEST. The assets of the scheme are held separately from those of the charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

### Debtors

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

### Cash at bank and in hand

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

### Creditors and provisions

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount after allowing for any trade discounts due.

### Financial instruments

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

## 3. Legal status of the Charity

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 7 (2024: 8).

## 4. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 5. Income from charitable activities

| | **Unrestricted Funds** | **Restricted Funds** | **Total Funds 2025** | Unrestricted Funds | Total Funds 2024 |
|---|---|---|---|---|---|
| | **£** | **£** | **£** | £ | £ |
| Care services | **3,473,629** | **-** | **3,473,629** | 3,254,598 | 3,254,598 |
| Supported employment | **5,678,470** | **-** | **5,678,470** | 3,632,378 | 3,632,378 |
| Catering | **1,294,713** | **7,037** | **1,301,750** | 1,115,259 | 1,115,259 |
| Other activities | **418,252** | **4,239** | **422,491** | 442,222 | 442,222 |
| | **10,865,065** | **11,276** | **10,876,341** | 8,444,457 | 8,444,457 |

## 6. Investment income

| | **Unrestricted Funds** | **Total Funds 2025** | Unrestricted Funds | Total Funds 2024 |
|---|---|---|---|---|
| | **£** | **£** | £ | £ |
| Investment income | **38,136** | **38,136** | 49,580 | 49,580 |
| Pension finance income | **223,000** | **223,000** | 173,000 | 173,000 |
| | **261,136** | **261,136** | 222,580 | 222,580 |

The investment income arises from interest bearing deposit accounts.

## 7. Analysis of expenditure on charitable activities - current year

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Total 2025 £ |
|---|---|---|---|---|---|
| Payroll, and wage costs | **2,089,801** | **4,594,079** | **778,739** | **317,691** | **7,780,310** |
| Pension service cost | **5,097** | **8,333** | **1,910** | **660** | **16,000** |
| Cost of sales and kitchen equipment | **17,588** | **42** | **578,780** | **158** | **596,568** |
| Premises costs | **185,870** | **68,975** | **178,559** | **5,481** | **438,885** |
| General administration | **56,156** | **11,492** | **2,533** | **456** | **70,637** |
| Travel and subsistence | **59,436** | **72,399** | **4,204** | **4,418** | **140,457** |
| Equipment | **13,045** | **5,852** | **23,792** | **806** | **43,495** |
| Depreciation | **-** | **12,127** | **-** | **-** | **12,127** |
| Professional including IT | **317** | **38,250** | **27,711** | **3,560** | **69,838** |
| Irrecoverable VAT | **-** | **4,040** | **-** | **-** | **4,040** |
| Support costs (note 10) | **456,471** | **746,209** | **171,063** | **59,119** | **1,432,862** |
| Governance | **5,161** | **8,437** | **1,934** | **669** | **16,201** |
| | **2,888,942** | **5,570,235** | **1,769,225** | **393,018** | **10,621,420** |

Expenditure on charitable activities was £10,621,420 (2024: £8,336,586) of which £10,615,620 (2024: £8,336,586) was unrestricted and £5,800 (2024: £Nil) was restricted.

## 7. Analysis of expenditure on charitable activities - prior year

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Total 2024 £ |
|---|---|---|---|---|---|
| Payroll, and wage costs | 1,851,731 | 2,893,412 | 662,762 | 287,216 | 5,695,121 |
| Pension service cost | 18,135 | 20,240 | 6,215 | 2,410 | 47,000 |
| Cost of sales and kitchen equipment | 10,996 | - | 519,619 | - | 530,615 |
| Premises costs | 189,415 | 50,701 | 169,215 | 6,578 | 415,909 |
| General administration | 57,620 | 13,030 | 6,191 | 2,050 | 78,891 |
| Travel and subsistence | 63,526 | 66,892 | 4,140 | 3,256 | 137,814 |
| Equipment | 9,552 | 6,566 | 21,730 | 277 | 38,125 |
| Depreciation | - | 8,832 | - | - | 8,832 |
| Professional including IT | 443 | 29,741 | 19,345 | 2,061 | 51,590 |
| Support costs (note 10) | 508,229 | 567,220 | 174,156 | 67,549 | 1,317,154 |
| Governance | 5,994 | 6,690 | 2,054 | 797 | 15,535 |
| | 2,715,641 | 3,663,325 | 1,585,426 | 372,194 | 8,336,586 |

## 8. Analysis of support costs - current year

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these along with the remaining support costs, are attributed to the key charitable activities. These are allocated on a basis consistent with the income derived from the individual activities. Allocation between individual activities under any other basis is considered impracticable.

| | Care Services | Employment Support | Catering | Other Activities | Total 2025 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Central support costs:* | | | | | |
| Payroll, and wages costs | 246,941 | 403,684 | 92,542 | 31,983 | 775,150 |
| Cost of sales and kitchen equipment | 13 | 21 | 5 | 1 | 40 |
| Premises costs | 46,182 | 75,494 | 17,306 | 5,981 | 144,963 |
| General administration | 15,236 | 24,906 | 5,709 | 1,973 | 47,824 |
| Travel and subsistence | 7,838 | 12,813 | 2,937 | 1,015 | 24,603 |
| Equipment | 3,841 | 6,280 | 1,440 | 497 | 12,058 |
| Depreciation | 65,811 | 107,583 | 24,663 | 8,524 | 206,581 |
| Professional including IT | 50,293 | 82,216 | 18,847 | 6,514 | 157,870 |
| Marketing | 9,747 | 15,934 | 3,653 | 1,262 | 30,596 |
| Irrecoverable VAT | 10,569 | 17,278 | 3,961 | 1,369 | 33,177 |
| | 456,471 | 746,209 | 171,063 | 59,119 | 1,432,862 |
| Governance costs: | | | | | |
| Audit and archiving costs | 5,161 | 8,437 | 1,934 | 669 | 16,201 |
| | 461,632 | 754,646 | 172,997 | 59,788 | 1,449,063 |

## 8. Analysis of support costs - Prior year

| | Care Services | Employment Support | Catering | Other Activities | Total 2024 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Central support costs:* | | | | | |
| Payroll, and wages costs | 236,185 | 263,600 | 80,934 | 31,391 | 612,110 |
| Cost of sales and kitchen equipment | 6 | 6 | 2 | 1 | 15 |
| Premises costs | 48,043 | 53,619 | 16,463 | 6,385 | 124,510 |
| General administration | 13,826 | 15,430 | 4,738 | 1,838 | 35,832 |
| Travel and subsistence | 4,589 | 5,122 | 1,573 | 610 | 11,894 |
| Equipment | 5,995 | 6,691 | 2,055 | 797 | 15,538 |
| Depreciation | 89,480 | 99,867 | 30,662 | 11,893 | 231,902 |
| Professional including IT | 83,334 | 93,007 | 28,556 | 11,076 | 215,973 |
| Irrecoverable VAT | 21,086 | 23,533 | 7,225 | 2,803 | 54,647 |
| Re-organisation costs | 5,685 | 6,345 | 1,948 | 755 | 14,733 |
| | 508,229 | 567,220 | 174,156 | 67,549 | 1,317,154 |
| Governance costs: | | | | | |
| Audit | 5,994 | 6,690 | 2,054 | 797 | 15,535 |
| | 514,223 | 573,910 | 176,210 | 68,346 | 1,332,689 |

## 9. Net income/(expenditure) for the year

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | **218,708** | 240,734 |
| Auditor's fees - for audit services | **13,650** | 13,000 |
| - for financial statements | **1,600** | 1,500 |
| Other recognised losses | **-** | 562,280 |

The other recognised losses relates to the transfer of the Pure Insight 1628 funds to the separate charity which carries on this work.

## 10. Analysis of staff costs, trustees' remuneration and the cost of key management personnel

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Wages, salaries, and other staffing costs | **7,833,101** | 5,685,623 |
| Social security costs | **511,820** | 429,067 |
| Pension costs (including service cost) | **226,539** | 239,541 |
| | **8,571,460** | 6,354,231 |

Pension funding within the Statement of Financial Activities includes £16,000 (2024: £47,000) in relation to the current service cost as included in the pension scheme note.

## 10. Analysis of staff costs, trustees' remuneration and the cost of key management personnel (continued)

Two employee's (2024: two) had emoluments in excess of £60,000 (2024: £60,000). These employees fell into the following pay bands:

| | 2025 No | 2024 No |
|---|---|---|
| £60,000 - £69,999 | 1 | 1 |
| £70,000 - £79,999 | 1 | 1 |
| | 2 | 2 |

The key management personnel of the charity comprise the trustees and the Corporate Management Team. The total company employee benefits of the key management personnel of the Trust were £361,797 (2024: £353,440) of which the trustees received £nil (2024: £nil).

A strong team of volunteers that support our operations have given their time in the period. No value has been attributed to volunteer time.

## 11. Staff numbers

The average monthly number of full time employed by the charity during the year was:

| | 2025 No | 2024 No |
|---|---|---|
| Full time employees | 274 | 257 |

## 12. Corporation tax

As a charity, the company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent they are applied to its charitable objectives. No corporation tax charge for the period was incurred by any of the trading subsidiaries and on this basis no provision has been made for corporation tax.

**13. Tangible fixed assets**

| | IT Systems | Catering Equipment | Fixtures and Fittings | Leasehold Improvements | Motor Vehicles | Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Cost** | | | | | | |
| At 1st April 2024 | 339,774 | 262,841 | 46,361 | 253,408 | 273,446 | 1,175,830 |
| Additions | 34,507 | 29,742 | 17,000 | 57,706 | 91,493 | 230,448 |
| Disposals | (69,603) | (38,496) | (1,108) | - | (85,196) | (194,403) |
| **At 31 March 2025** | **304,678** | **254,087** | **62,253** | **311,114** | **279,743** | **1,211,875** |
| **Depreciation** | | | | | | |
| At 1st April 2024 | 212,834 | 204,044 | 35,097 | 94,646 | 190,024 | 736,645 |
| Charge for the year | 79,688 | 25,654 | 6,308 | 51,933 | 55,125 | 218,708 |
| Eliminated on disposal | (69,603) | (38,496) | (1,108) | - | (51,708) | (160,915) |
| **At 31st March 2025** | **222,919** | **191,202** | **40,297** | **146,579** | **193,441** | **794,438** |
| **Net book value** | | | | | | |
| **At 31st March 2025** | **81,759** | **62,885** | **21,956** | **164,535** | **86,302** | **417,437** |
| At 31st March 2024 | 126,940 | 58,797 | 11,264 | 158,762 | 83,422 | 439,185 |

**14. Investments**

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Market value at 1 April 2024 | **213,002** | 388,136 |
| Additions at cost | **234,031** | 83,313 |
| Disposals at market value | **(39,683)** | (267,496) |
| Net profit/(loss) | **(72)** | 9,049 |
| Market value at 31 March 2025 | **407,278** | 213,002 |

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

**15. Stock**

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Goods for resale | **45,940** | 57,871 |

## 16. Debtors

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Trade debtors | **623,399** | 1,124,350 |
| Other debtors and prepayments | **711,331** | 893,936 |
| | **1,334,730** | 2,018,286 |

## 17. Current asset investments

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Cash on short-term deposits | **11,235** | 19,435 |

## 18. Creditors: amounts falling due within one year

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Trade creditors | **150,239** | 139,645 |
| Other taxes and social security | **117,975** | 130,837 |
| Other creditors and accruals | **501,563** | 250,464 |
| | **769,777** | 520,946 |

## 19. Commitments under operating leases

The company leases its main business premises, several café premises and other equipment under formal operating leases. The lease agreements terminate between 2021 and 2026. At 31 March 2025 the company had annual commitments under non-cancellable operating leases as set out below.

| | 2025 | 2024 |
|---|---|---|
| **Land & buildings** | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | **176,256** | 234,173 |
| Within 2 to 5 years | **164,583** | 277,833 |
| | **340,839** | 512,006 |

## 20. Derecognition of defined benefit pension asset

Although the most recent actuarial valuation of the defined benefit pension scheme indicates that the scheme is in a net asset position, no asset has been recognised in the financial statements. This is because, in accordance with FRS 102 Section 28.22, the surplus is not considered recoverable by the employer. The terms of the scheme do not allow the employer to obtain a refund of the surplus, nor do they permit a reduction in future contributions. As a result, the surplus does not provide an economic benefit to the employer and is therefore not recognised as an asset.

## 21. Retirement benefit schemes

### Defined contribution scheme - NEST

New employees of the company are only able to join the National Employment Savings Trust (NEST) pension scheme. Under current legislations employees not in the GMPF are automatically enrolled into NEST unless they have exercised their right to opt out of scheme membership. This is a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The employee and employer contributions are 5% for employees and 3% for employers in 2024. Employer's contributions of £113,750 (2024 - £98,000) have been paid to this scheme in the year.

### Defined benefit schemes - GMPF

The company operates a defined benefit scheme for employees. The scheme is an admitted body to the Greater Manchester Pension Fund. The GMPF scheme is a local government pension scheme and is administered by Tameside Metropolitan Borough in accordance with the Local Government Pension Scheme regulations. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the statement of financial activities so as to spread the costs of pensions over the service lives of the employees. Variations from the regular costs are spread over the average expected remaining working lives of current members of the scheme.

Members of the scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution Scheme, each of which is funded by the employee alone.

Members of the GMPF accrue an indexed linked pension of 1/80$^{th}$ of the best of the last 3 years pensionable service for each year of service. Additional benefits include a lump sum on retirement, continued (reduced) pensions for a spouse on death of a member and benefits for dependents on death or permanent incapacity. service.

The latest formal valuation of the scheme for the purposes of setting employers' actual contributions was on 31 March 2024.

Contributions to the scheme have been made during 2024 at rates that have been recommended by GMPF actuarial advisors. These are:

Employee - Banded rate based on pensionable earnings between 5.5% and 8.5%

Employer's – 18.7% of pensionable earnings

When the company joined GMPF on 1 July 2005 there was a transfer of employees from Stockport MBC. The transfer of pension arrangements was on a fully funded basis i.e. there was no transfer of deficit in the Fund attributable to the transferring employees (on the ongoing valuation basis) from Stockport MBC. It should be noted that the year-end valuation calculated under FRS17, showed a variation from the initial valuation which was made using a differing accounting convention.

The valuation in these financial statements assumes a notional re-allocation of assets in the Fund from Stockport MBC to Pure Innovations Limited on this basis.

### Financial Assumptions

| The key financial assumptions used are: | **2025 % pa** | 2024 % pa |
|---|---|---|
| Inflation/pension increases | **2.75%** | 2.75% |
| Salary Increases | **3.55%** | 3.55% |
| Discount rate | **5.80%** | 4.85% |

## 21. Retirement benefit schemes (continued)

| Mortality Assumptions | 2025 Years | | 2024 Years | |
|---|---|---|---|---|
| The period of pension drawdown: | **Current** | **Future** | Current | Future |
| Male | **20.2** | **21.0** | 20.2 | 21.1 |
| Female | **24.3** | **25.3** | 24.4 | 25.3 |

**Key assumptions**

*Life expectancy*

Life expectancy is based on the CMI 2022 model with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% pa.

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

*Discount rates*

In accordance with FRS 102 the discount rate used to place a value on the liabilities should be determined by reference to market yields on high quality corporate bonds at the reporting date. In addition, the currency and term of the high-quality corporate bonds used to set the discount rate should be consistent with the currency and term of the obligations.

Government bond yield curves are updated and available on a daily basis from the Bank of England. It is therefore relatively easy to identify a spot yield on Government bonds at any duration and at any date. Unfortunately, a similarly accessible corporate bond yield curve is not so readily available.

The discount rate should reflect the 'term' of the benefit obligation. 'Term' has been interpreted as the weighted average duration of the benefit obligation. This is broadly defined as 'the weighted average time until payment of all expected future discounted cashflows, determined based on memberships and the financial and demographic assumptions at a particular time' The shorter the duration, the more 'mature' the employer.

*Retail Prices Inflation*

This assumption is typically derived from yields available on fixed interest and index linked Government bonds and should be consistent with the derivation of the discount rate.

*Pension increases*

The pension increase assumption is set in line with the Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist. Therefore, it is necessary to estimate the long-term gap between RPI and CPI in order to derive a CPI assumption for accounting purposes.

*Salary growth*

The assumption is generally consistent with the most recent actuarial valuation. An additional allowance for promotional salary increases is also made.

| 21. Retirement benefit schemes (continued) | Scheme Assets £ | Scheme Liabilities £ | Net Pension Liability £ |
|---|---|---|---|
| ***Shown in the Statement of Financial Activities Current year*** | | | |
| *Service cost* | | | |
| Current service cost | - | (94,000) | (94,000) |
| **Total service costs** | - | (94,000) | (94,000) |
| *Net Interest* | | | |
| Interest income on plan assets | 835,000 | - | 835,000 |
| Interest cost on defined benefit obligation | - | (612,000) | (612,000) |
| **Total net interest** | 835,000 | (612,000) | 223,000 |
| *Cashflows* | | | |
| Employer's contributions | 78,000 | - | 78,000 |
| Members' contributions | 25,000 | (25,000) | - |
| Benefits paid | (378,000) | 378,000 | - |
| **Total cashflows** | (275,000) | 353,000 | 78,000 |
| **Total costs in Statement of Financial Activities** | 560,000 | (353,000) | 207,000 |
| Opening position at 1 April 2024 | 17,369,000 | (12,749,000) | 4,620,000 |
| Derecognition of the defined benefit pension scheme asset | (17,369,000) | 12,749,000 | (4,620,000) |
| **Total remeasurements recognised in OCI** | - | - | - |
| **Closing position at 31 March 2025** | - | - | - |

| 21. Retirement benefit schemes (continued) | Scheme Assets £ | Scheme Liabilities £ | Net Pension Liability £ |
|---|---|---|---|
| ***Shown in the Statement of Financial Activities Prior year*** | | | |
| *Service cost* | | | |
| Current service cost | - | (109,000) | (109,000) |
| Past service cost | - | (21,000) | (21,000) |
| **Total service costs** | - | (130,000) | (130,000) |
| *Net Interest* | | | |
| Interest income on plan assets | 776,000 | - | 776,000 |
| Interest cost on defined benefit obligation | - | (603,000) | (603,000) |
| **Total net interest** | 776,000 | (603,000) | 173,000 |
| *Cashflows* | | | |
| Employer's contributions | 83,000 | - | 83,000 |
| Members' contributions | 28,000 | (28,000) | - |
| Benefits paid | (375,000) | 375,000 | - |
| **Total cashflows** | (264,000) | 347,000 | 83,000 |
| **Total costs in Statement of Financial Activities** | 512,000 | (386,000) | 126,000 |
| Opening position at 1 April 2024 | 16,461,000 | (12,796,000) | 3,665,000 |
| Changes in financial assumptions | - | 772,000 | 772,000 |
| Changes in demographic assumptions | - | 79,000 | 79,000 |
| Other experience | - | (418,000) | (418,000) |
| Return on assets excluding net interest | 396,000 | - | 396,000 |
| **Total remeasurements recognised in OCI** | 16,857,000 | (12,363,000) | 4,494,000 |
| **Closing position at 31 March 2024** | 17,369,000 | (12,749,000) | 4,620,000 |

**21. Retirement benefit schemes (continued)**

| | 2025 £ | 2024 £ |
|---|---|---|
| *Fair value of plan assets at the reporting period end* | | |
| Equity instruments | - | 11,810,920 |
| Debt instruments | - | 2,605,350 |
| Property | - | 1,389,520 |
| Cash | - | 1,563,210 |
| | - | 17,369,000 |

| | 2025 £ | 2024 £ |
|---|---|---|
| *The defined benefit obligations arise from plans funded as follows:* | | |
| Wholly unfunded obligations | | - |
| Wholly or partly funded obligations | - | 12,749,000 |
| | - | 12,749,000 |

**22. Unrestricted Funds - current year**

| | Balance at 1 April 2024 £ | Incoming resources £ | Resources expended £ | Exceptional item £ | Derecognition of defined benefit pension scheme asset £ | Balance at 31 March 2025 £ |
|---|---|---|---|---|---|---|
| **General fund** | 3,047,719 | **10,903,201** | **(10,599,620)** | - | - | **3,351,300** |
| Pension fund reserve | 4,620,000 | **223,000** | **(16,000)** | - | **(4,827,000)** | - |
| **Total general funds** | 7,667,719 | **11,126,201** | **(10,615,620)** | - | **(4,827,000)** | **3,351,300** |

**Unrestricted Funds - prior year**

| | Balance at 1 April 2023 £ | Incoming resources £ | Resources expended £ | Exceptional items and transfers (as restated) £ | Actuarial Gains/ (losses) £ | Balance at 31 March 2024 (as restated) £ |
|---|---|---|---|---|---|---|
| **General fund** | 3,134,494 | 8,494,037 | (8,289,586) | (291,226) | - | 3,047,719 |
| Pension fund reserve | 3,665,000 | 173,000 | (47,000) | - | 829,000 | 4,620,000 |
| **Total general funds** | 6,799,494 | 8,667,037 | (8,336,586) | (291,226) | 829,000 | 7,667,719 |

**23. Restricted funds - current year**

| | Balance at 1 April 2024 (as restated) £ | Incoming Resources £ | Resources expended £ | Balance at 31 March 2025 £ |
|---|---|---|---|---|
| Free School Meals | 2,603 | 7,037 | (3,072) | 6,568 |
| Bursary Funds | 2,197 | 4,239 | (2,728) | 3,708 |
| **Total unrestricted funds** | 4,800 | 11,276 | (5,800) | 10,276 |

**23. Restricted funds - prior year**

| | Balance at 1 April 2023 £ | Transfers (as restated) £ | Balance at 31 March 2024 (as restated) £ |
|---|---|---|---|
| Free School Meals | - | 2,603 | 2,603 |
| Bursary Funds | - | 2,197 | 2,197 |
| Christmas Activities | 6,924 | (6,924) | - |
| St James Place | 9,167 | (9,167) | - |
| Salford MBC | 53,325 | (53,325) | - |
| The Henry Smith Charity | 25,000 | (25,000) | - |
| Stockport Local Fund | 181 | (181) | - |
| National Lottery | 54,809 | (54,809) | - |
| Stockport MBC | 8,789 | (8,789) | - |
| Warrington | 1,990 | (1,990) | - |
| Cheshire Community Foundation Warrington | 27,945 | (27,945) | - |
| The Rayne Foundation | 8,333 | (8,333) | - |
| Paul Hamlyn Foundation | 3,000 | (3,000) | - |
| The Welland Trust | 35,416 | (35,416) | - |
| Cheshire East | 33,306 | (33,306) | - |
| Co-op Community Funding | 3,503 | (3,503) | - |
| Edward Gosling | 4,166 | (4,166) | - |
| **Total unrestricted funds** | 275,854 | (271,054) | 4,800 |

**Other gains/(losses)**

The above losses relate to the transfer of the opening restricted fund balances as at 1 April 2023 to the former charity within a charity Pure Insight 1628. Pure Insight 1628 now operates as a separate charity.

| 24. Analysis of assets between funds - current year | General Fund £ | Designated Funds £ | Total £ |
|---|---|---|---|
| Tangible fixed assets | **417,437** | - | **417,437** |
| Cash at bank and in hand | **1,914,733** | - | **1,914,733** |
| Other net current assets | **1,029,405** | - | **1,029,405** |
| | **3,361,575** | - | **3,361,575** |

| Analysis of assets between funds - prior year | General Fund £ | Designated Funds £ | Total £ |
|---|---|---|---|
| Tangible fixed assets | 439,185 | - | 439,185 |
| Cash at bank and in hand | 825,686 | - | 825,686 |
| Other net current assets | 1,787,648 | - | 1,787,648 |
| Defined benefit pension asset | - | 4,620,000 | 4,620,000 |
| | 3,052,519 | 4,620,000 | 7,672,519 |

| 25. Cash used in operations | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Net movement in funds | 516,057 | 330,451 |
| *Adjustments for:* | | |
| Depreciation | 218,708 | 240,734 |
| Interest income | (38,136) | (49,580) |
| Transfer of Pure Insight 1628 funds | - | (562,280) |
| Net pension costs in SOFA | (207,000) | (126,000) |
| (Profit)/Loss on fixed asset investments | 72 | (9,049) |
| (Profit)/Loss on disposal of assets | 33,488 | 19,280 |
| *Movements in working capital:* | | |
| (Increase)/decrease in stock | 11,931 | (4,238) |
| (Increase)/decrease in debtors | 691,756 | (793,265) |
| Increase/(decrease) in creditors | 248,831 | (52,760) |
| **Net cash generated in operations** | 1,475,707 | (1,006,707) |

| 26. Net debt reconciliation - current year | 1 April 2024 | Cash flows | 31 March 2025 |
|---|---|---|---|
| **The Group** | £ | £ | £ |
| Cash | 825,686 | **1,089,047** | **1,914,733** |
| | 825,686 | **1,089,047** | **1,914,733** |

| Net debt reconciliation - prior year | 1 April 2023 | Cash flows | 31 March 2024 |
|---|---|---|---|
| **The Group** | £ | £ | £ |
| Cash | 1,794,428 | (968,742) | 825,686 |
| | 1,794,428 | (968,742) | 825,686 |

**PURE INNOVATIONS LIMITED**

England & Wales - Charity number 1111252

# Accounts

Company Registration Number: 5241249
Charity Number: 1111252

# PURE INNOVATIONS LIMITED

## A COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

## For the year ended 31 March 2024

# PURE INNOVATIONS LIMITED

**Financial Statements**
**Year ended 31 March 2024**

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# PURE INNOVATIONS LIMITED

## Legal and Administrative Details

| | |
|---|---|
| **Company number** | 5241249 |
| **Charity number** | 1111252 |
| **Registered office** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Principal address** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Trustees** | Miss N Hinton<br>Mrs H White<br>Mrs L Powis<br>Ms J Walker<br>Mr P Greenhalgh<br>Mr C Hemingway<br>Mr S Bradshaw (appointed 09/01/24) |
| **Corporate Management Team** | Mr S Brierley - Director of Finance<br>Mrs L Parrott-Bates - Chief Executive<br>Mr P Locke - Director of Infrastructure<br>Miss Monika Wieczorek-Alhamoud - HR Director<br>Mrs A Noon - Director of Learning and Development |
| **Bankers** | The Co-operative Bank Plc<br>1 Balloon Street<br>Manchester<br>M4 4BE |
| **Auditors** | Mitchell Charlesworth (Audit) Limited<br>3rd Floor<br>44 Peter Street<br>Manchester<br>M2 5GP |

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with 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).

**Purposes and Activities**
Pure Innovations aims to foster and promote for the benefit of the public, the advancement of education, the relief of poverty and sickness and for any other charitable purposes by all or any of the following means:

- The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.
- The advancement of education, training or re-training, particularly amongst unemployed people and providing unemployed people with work experience and among the providers of education, training and work experience to beneficiaries of the Charity.
- The provision or assistance in the provision of care and recreational facilities in the interests of social welfare for those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities with the object of improving the beneficiaries' conditions of life.

The overall aim is to promote independence, increase choice and provide more appropriate support to people to make the most of their capacity and potential.

Following the transfer of the undertaking from Stockport MBC Social Services Department on 1st July 2005, the following activities have been developed:

Care activities- provide support for clients right across the disability spectrum including learning disability, mental or physical / sensory disability, assisting them as individuals to develop skills, independence and wellbeing as much as possible.

This could be undertaken within our catering services offer. In the four cafes which we run we offer training opportunities in customer care, health and safety and food hygiene. We have transformed one of our previous cafes into a space producing bread and cake supplying both our own cafes and small independent cafes in the area. All produce is made by our clients with a disability.

Other opportunities exist through the One Voice, which seeks to raise awareness throughout Stockport of the issues faced by people who are from the most disadvantaged area by producing material for a community radio station. We also have various arts,, and animation offers in various locations and we are looking to develop and broaden these for the benefits of the client group. This has included developing a ceramics, animation and gaming offer to our clients in Stockport.

Throughout this document the people we support are referred to as clients, students or learners depending on the service activity.

**Employment Services** – these seek to find employment for the long term unemployed and socially disadvantaged people who are not catered for, or who have been rejected by mainstream service providers. We work in partnership with large public sector and private sector employers to educate, encourage and support them to employ a diverse workforce including disabled people. An important part of this service is to seek ways of retaining employment for such people who may be at risk of losing their employment status. To support employers, we run disability awareness training to the workforce free of charge – allowing them to diversify their workforce and upskill their existing workforce.

We also deliver a variety of **Education and Training** courses, both accredited and non-accredited courses, including our travel training programme which operates in several boroughs in Greater Manchester. The approach in this area is to maximise the independence and skills ultimately increasing life chances in partnership with education providers to ensure employment outcomes are an aspiration for young people with special educational needs. We deliver 11 Supported Internship sites across Greater Manchester in conjunction with large corporate and public sector organisations to increase the number of people in employment.

**Pure College** became operational in September 2022 and opened its doors as a post 16 specialist college for young people with an Education Health and Care Plan. The courses delivered aim to prepare people for independence and employment to give them increased opportunities to secure long term employment and the necessary skills associated to that. Each student works towards achieving a certificate with the awarding body Open Awards. This has allowed the charity to draw down income from a new stream of funding from the Department of Education otherwise only accessible to approved education providers.

**Community Hub**– we have a direct contract with Stockport MBC to provide a contact point for any individual in the Borough who has a social need and, by use of sub-contractors or sometimes the provision of services, we provide to meet as many of those identified needs. This preventative works aims to delay or prevent the escalation of health and social care services, addressing the growing concern around loneliness and isolation experienced by so many in communities. We aim to improve individuals' wellbeing by reducing social isolation and connecting people to their communities with a sense of purpose and meaning. The Community Hub offers a safe space to allow people to connect meaningfully to their local communities to build a network of support and aid resilience and self-support.

**The Mental Health Network** contracted by Stockport MBC supports people with enduring mental health concerns to offer community integration and connectivity with areas of interest. The Network adopts a holistic approach to wellbeing and health including access to complex caseworkers, thus providing a specialist counselling service. The team manage several support and peer groups and additional intensive therapy-based counselling sessions – all with the aim to allow people the resources, insight and networks of support to maintain a level of well-being - resulting in them being less reliant on clinical interventions and prevention of escalation into intensive and costly services and restricted provision. This work has opened opportunities to direct funding and commissioning from the NHS.

Greater Manchester Combined Authority has contracted with us to deliver a **Specialist Supported Employment Service** covering the ten Greater Manchester Local Authority areas. The aim is to secure employment for people with a mental health or learning disability diagnosis.

We support over 300 clients with a learning disability or on the ASD spectrum across Greater Manchester to have fulfilled days with meaning and purpose, leading to many people integrated within their local communities to work in projects of interest that build independence, social skills, confidence, and community engagement. Many of these projects have become a valuable community resource and our clients have contributed to these in many ways.

**Public benefit**
The main activities are outlined in the section above. They are all undertaken to further the charity's purpose for the public benefit, with due regard to the Charity Commission's guidance on this subject, including the guidance "Public benefit: running a charity (PB2)."

**Achievements and Performance**
We provide a range of support services across Greater Manchester. Over the course of the year, we have secured paid work for 249 people; 53 young people have been trained to use public transport independently; 25 young people are on track to achieve accreditation for learning. We have supported 372 people in our Pure Support and care to engage in meaningful activities and 2,293 people are better connected to their communities or have been supported through our mental health network and talking therapies.

The activities provided for the clients were in the areas of:

- Arts, Pottery and Drama
- Catering and Retail
- Greenspace
- Health and Wellbeing
- Talking Therapy
- Learning Programmes – Work and Life skills
- Pre-Employment and Placement
- Supported in-house session
- Supported Internship
- Travel Training
- Supported Employment
- Health and wellbeing
- Cookery and Baking
- Sport and Exercise
- Music and Dance
- Health and Beauty
- IT
- Woodwork

We survey our clients on a regular basis, and some of the recent outcomes are listed below.

In our most recent venture in opening ***Pure College*** our students have told us the following:

| | |
|---|---|
| Do you feel safe at College | 100 % responded yes |
| You are learning at College | 92 % responded yes |
| You are becoming more independent at College | 75 % responded yes |
| The course is preparing you for work | 83 % responded yes |
| You have made friends at College | 100% responded yes |

In terms of ***Supported Employment Services***, people told us the following:

| | |
|---|---|
| Do you feel that your employment goals were achieved | 100% responded yes |
| Do you feel that you were given the preparation for work | 100% responded yes |
| Do you feel that we understood your aspirations and help identify your goals | 100% responded yes |

In our ***Support and Care*** provision they told us the following:

| | |
|---|---|
| Are staff caring and kind | 95% responded yes |
| Do you enjoy the project you attend | 95% responded yes |
| Do you feel you're listened to and heard | 100% responded yes |

Our ***staff survey*** resulted in 70% of staff completing and telling us the following:

| | |
|---|---|
| I feel valued and recognised for the work I do | 84% responded yes |
| We all take Health and Safety seriously | 99% responded yes |
| Senior leaders make the effort to listen to the team | 84% responded yes |
| I think I have a good balance between my work and personal life | 93% responded yes |
| I feel the work I do at Pure positively impacts on clients lives | 99% responded yes |
| I feel Pure cares about my wellbeing and mental health | 92% responded yes |

Pure College – established in September 2022 with 10 young people with an Education Health and Care Plan a specialist post 16 college provision. The number of students grew to 28 students by January 2024 and has proven to be successful meeting a gap in provision in the Stockport area. This attracts the Department for Education funding with top up funding from the Local Authority that each student resides in.

**Financial review**

We have managed to achieve another year of profitable trading. This has been achieved despite austerity measures in the public sector continuing to impact upon most income streams of the business and this still constitutes a major challenge for the foreseeable future.

The main sources of income are in delivery of services funded by local authorities, colleges and through other government contracts. However, there is an increasing reliance upon clients in charge of their own budgets, opting to use that money to spend on our service delivery to them. We are seeking to provide a level of service which goes beyond just retaining those individuals but adding to their number.

The charity's profit for the year (excluding pension service costs) at £204k .

Outside of the underlying performance of the charity, the net movement in funds is also affected by actuarial movements between years on the pension fund. Actuarial adjustments reported by Hymans Roberts LLP, the Scheme Actuaries has resulted in a movement from a surplus of £3.665m to a surplus of £4.620m a movement of £955k, this followed an increase in the reserve the previous year of £6.427m. This has arisen due to various changes in long

term actuarial assumptions. The impacts of these changes arising from the revision of the assumptions used by the Actuaries are outlined in more detail in note 22 to these accounts.

The risk register identifies the major risks as being around the loss of key staff and generally high staff turnover in the business, reductions in income for delivery of core services in response to public sector austerity cuts and the impact of failures of IT systems.

We raised salary levels for our main body of operational staff by a further 10.1% from 1st April 2023, and a similar percentage from 1st April 2024, in response to the identified risk and that has resulted in a better recruitment and retention of those types of employees. We are also investing in new IT systems that will add to our operational efficiency, although the risk of failure of those systems is a constant risk which we continue to monitor regularly.

**Pure Insight 1628**

Pure Insight is a charity within the charity of Pure Innovations Ltd. It is separately registered and commenced activities on 1st April 2014 to extend and continue to work with young people attaining adulthood in their transition to Independence from the Social Care System. For reasons of operational efficiency, the Boards of Pure Innovations and Pure Insight decided that the company was to become independent and this was achieved on 10th May 2023.

**Reserves policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergencies.

The Board have determined that they wish to achieve a minimum level of reserves based upon potential costs of closure and risk related costs of terminating contracts. The current level of reserves exceeds this minimum level of reserves, and the Board will make decisions in the coming months as to how its reserves more than the minimum may be best utilised for the benefit of the company's beneficiaries. At the same time the Trustees are considering what further reserves to hold to allow for future investment.

**Investment powers and policy**

The investment approach has been reviewed to ensure that the company's cash balances are as secure as possible and that an element of those balances are invested with a view to retaining their spending power after taking into account the effect of inflation.

**Plans for future periods**

There has been investment in the business, principally in IT systems, and upgrading of properties we occupy, either by internal refurbishment or moving to more appropriate buildings. The intention is that this will ultimately improve our performance and profitability, continuing to retain our existing contracts that align to our strategic objectives, bid for work in our area of knowledge and expertise and grow new funding streams.

**Research and development activities of the charity**

We continue to look at identified areas of good practice across the UK to replicate and enhance our offer and therefore improve the outcomes for disabled and disadvantaged people in our communities.

Over the past 12 months, we have been investing in becoming a more digitally aware organisation meeting the needs of younger people coming into our service. Our ambition is to become a paperless organisation as most of our work is remote in the community and access needs to be on-line.

Our work replicates part of the government's agenda of supporting as many people as possible into employment who are in receipt of benefits. We will pilot new initiatives to achieve this with people furthest away from the labour market.

**Structure, governance and management**

**Governing Document**

The organisation is a charitable company that is limited by guarantee. The company was incorporated on 24th September 2004 and registered as a charity on 12th September 2005. The Company was established under a Memorandum of Association which defines the objects and powers of the charitable company and is governed under its Articles of Association. After the end of the financial year a resolution was passed to amend the Articles Of Association and the board of trustees have approved amended internal governance rules.

**Recruitment and appointment of Trustees**

Members of the Board of Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles of Association are known as Trustees. Under the requirements of the Memorandum and Articles of Association trustees are appointed for a term of 3 years that can be renewed for a further 2 terms of 3 years and in exceptional circumstances, if 75% of the the members think that it is in the best interest of the charity, they can be appointed for a further period.

**Trustee induction and training**

We have developed a trustee induction pack, and training is undertaken with the trustees in accordance with the training plan identified following annual trustee appraisals.

**Reference and administrative details**

Reference and administrative details are shown in the legal and administrative details page of the financial statements.

**Organisation**
The directors of the charitable company (the Charity) are its trustees for the purpose of Charity law and directors for the purpose of Company law. The trustees who served the charity during the year were as follows:

**Key management personnel: Trustees' and Directors**

| | |
|---|---|
| Joint Chair: | Ms N Hinton<br>Ms J Walker |
| Trustees: | Mrs H White<br>Mrs L Powis<br>Mr P Greenhalgh<br>Mr C Hemingway<br>Mr S Bradshaw (appointed 9th January 2024) |

**Key management personnel: Executive Management Team**

| | |
|---|---|
| Director of Finance | Mr S Brierley |
| Chief Executive | Mrs L Parrott-Bates |
| Director of Infrastructure | Mr P Locke |
| Director of Learning and Development | Mrs A Noon |
| HR Director | Miss Monika Wieczorek-Alhamoud |

The Board of Pure Innovations meets every 8 weeks, and they are responsible for the strategic direction and policy of the charity. A scheme of delegation is in place and day-to-day responsibility for the provision of services rests with the Chief Executive and other members of the Executive Management Team. The Chief Executive has overall responsibility for ensuring that the charity delivers the services specified through the day-to-day operational management of the company, and individual supervision of the other members of the Executive Management Team.

**Employees and employment of disabled persons**

Pure Innovations recognises its role and responsibilities within the local community in identifying and removing those barriers, which prevent disabled people from sharing equally in the rights, benefits, obligations and opportunities to undertake meaningful employment. Pure Innovations actively encourages the employment of colleagues with a disability and is recognised as a Disability Confident Employer by the DWP. We have a strong track record in attracting and retaining people with a disability at all levels of the charity. We regularly make reasonable adjustments for new and existing colleagues to provide holistic support to enable them to fully participate in the workplace and fulfil their potential. At Pure Innovations, 11.5% of the current workforce identifies as having some form of disability. We believe this to be a conservative figure as some employees chose not to declare their disability or do not regard themselves as such.

Pure recognises that as a specialist employer in the local community it has the opportunity to achieve a significant impact on opportunities for disabled people via the development of its employment policy and promotion of work-related positive action initiatives. These help to counteract longstanding disadvantages in gaining access to work and remaining in employment should a person become disabled during their working lives.

Pure Innovations is committed to the creative use of existing resources and the development of imaginative initiatives including job tasters, job trials and job carving. This is enhanced by regular staff briefings and newsletters, team meetings, supervisions and an appraisal system which identifies training and development needs. Within the Pure group there is an exchange of good practice, staff attend disability awareness training and successful developments are promoted on our website and in our social media. Our vacancies are advertised concurrently, internally and externally and staff are encouraged to apply for promotion when they feel ready to do so. We have a succession policy in place which identifies and supports those we see as the potential future leaders of the charity.

**Employee involvement**

Involving all employees is fundamental to how the Company operates, with open communication at all levels. The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect them.

Employee involvement is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the concern plays a major role in maintaining and growing its position.

New employees attend an induction process during the early days of their employment. Included within the induction phase is a session on the company's values which underpins the company's approach to staff, volunteers and service users. Pure's values are as follows:

| | |
|---|---|
| Respectful ..... | Always treat people the way you would wish to be treated no matter what the situation. |
| Responsive ..... | By listening to others, we solve problems by finding solutions. |
| Aspirational ..... | Achieve the best possible outcomes by continually improving what we do. |
| Inclusive ..... | We are welcoming and involve all in what we do. |

**Pay policy for senior staff**

The pay of the Executive Management Team has been determined by the Board of Directors.

**Related parties and co-operation with other organisations**

Helen White is director of a marketing organisation to which Pure Innovations pays a small annual subscription, none of our trustees receive remuneration or other benefit from their work with the charity.

We have several partnership links outside of the contractual relationships identified above, these partnerships links are with a wide variety of organisations who we work in collaboration with.

**Risk management**

A risk register has been prepared using Charity Commission guidance on the subject. These have been approved by the Board of Trustees and amended (where appropriate) to changes in the organisation and also in external factors. The risks are identified along with the potential impact and the steps to mitigate risk. Each risk is then scored by using the formula (a+b+b) where a = Likelihood and b= Potential impact, and those with a deemed high score are subject to review and action to monitor the major risks.

**Trustees' responsibilities in relation to the financial statements**

The charity trustees (who are also directors for the purpose of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees 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 assume that the company will continue in business.

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

The trustees 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 in governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**

Mitchell Charlesworth were appointed as auditor at the last AGM in April 2024 and in accordance with Section 485 of the Companies Act 2006, a resolution proposing their re-appointment will be put forward to the next General Meeting.

**Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors is unaware; and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the trustees

**N Hinton**
Trustee

Date 16th October 2024

## Independent Auditor's Report to the Members of Pure Innovations Limited
## Year ended 31 March 2023

### Opinion

We have audited the financial statements of Pure Innovations Limited for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet and Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024, and of the charity's incoming resources and application of resources 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 trustees' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report.
- sufficient accounting records have not been kept.
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2022 and report in accordance with regulations made under section 154 of that Act.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with the laws and regulations, we considered the following:

**Audit response to risks identified**

- the nature of the sector, control environment and business performance.
- results of our enquiries of management about their own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to the identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of noncompliance. Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud and the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to the correct treatment of grant income, including the correct use of restricted funds and any grant income due to be repaid to funders as a result of financial or performance-based conditions imposed, not being achieved. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override and we identified risk in relation to the posting of unusual journals and the manipulation of accounting estimates.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Safeguarding, 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), the Financial Reporting Standard applicable in the UK (FRS 102), and the Companies Act 2006.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

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

**Audit response to risks identified**

As a result of performing the above, we identified the recognition of revenue as the key audit matter related to the potential risk of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements.
- enquiring of management and members of the board concerning actual and potential litigation and claims.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

18 December 2024

**Alison Buckley (Senior Statutory Auditor)**
**For and on behalf of Mitchell Charlesworth (Audit) Limited**

**Statutory Auditor**

3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth (Audit) Limited is eligible to act an auditor in terms of section 1212 of the Companies Act 2006.

# PURE INNOVATIONS LIMITED

## Statement of Financial Activities (incorporating income and expenditure account)
## Current Year - Year ended 31 March 2024

| | Notes | Unrestricted Funds | Restricted Funds | Pension | Total Funds 2024 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income** | | | | | |
| Donations and legacies | 5 | - | - | - | - |
| Other trading income | 6 | - | - | - | - |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 7 | **8,444,457** | - | - | **8,444,457** |
| Investment Income | 8 | **49,580** | - | **173,000** | **222,580** |
| **Total income** | | **8,494,037** | - | **173,000** | **8,667,037** |
| **Expenditure** | | | | | |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 9 | **8,289,586** | - | **47,000** | **8,336,586** |
| **Total expenditure** | | **8,289,586** | -- | **47,000** | **8,336,586** |
| **Net incoming resources before other recognised gains and losses** | | **204,451** | - | **126,000** | **330,451** |
| Other recognised losses | 11 | **(286,426)** | **(275,854)** | - | **(562,280)** |
| **Net incoming resources before other recognised gains and losses** | | **(81,975)** | **(275,854)** | **126,000** | **(231,829)** |
| Actuarial profit on defined benefit pension scheme | | - | - | **829,000** | **829,000** |
| **Net movement in funds** | | **(81,975)** | **(275,854)** | **955,000** | **597,171** |
| Total funds brought forward | | **3,134,494** | **275,854** | **3,665,000** | **7,075,348** |
| **Total funds carried forward** | | **3,052,519** | - | **4,620,000** | **7,672,519** |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Statement of Financial Activities (incorporating income and expenditure account)
## Prior Year - Year ended 31 March 2023

| | Notes | Unrestricted Funds | Restricted Funds | Pension | Total Funds 2023 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income** | | | | | |
| Donations and legacies | 5 | 13,008 | - | - | 13,008 |
| Job retention scheme grant | | - | - | - | - |
| Other trading income | 6 | 2,778 | - | - | 2,778 |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 7 | 7,427,390 | 573,330 | - | 8,000,720 |
| Investment Income | 8 | 11,619 | - | - | 11,619 |
| **Total income** | | 7,454,795 | 573,330 | - | 8,028,125 |
| **Expenditure** | | | | | |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 9 | 7,313,184 | 524,392 | 203,000 | 8,040,576 |
| **Total expenditure** | | 7,313,184 | 524,392 | 203,000 | 8,040,576 |
| **Net incoming/(outgoing) resources before other recognised gains and losses** | | 141,611 | 48,938 | (203,000) | (12,451) |
| Actuarial profit on defined benefit pension scheme | | - | - | 6,427,000 | 6,427,000 |
| **Net movement in funds** | | 141,611 | 48,938 | 6,224,000 | 6,414,549 |
| **Net transfer between funds** | | - | - | - | - |
| Total funds brought forward | | 2,992,883 | 226,916 | (2,559,000) | 660,799 |
| **Total funds carried forward** | | 3,134,494 | 275,854 | 3,665,000 | 7,075,348 |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Balance Sheet
## Year ended 31 March 2024

| | Notes | 2024 £ | 2024 £ | 2023 £ | 2023 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 15 | | **439,185** | | 503,401 |
| Investments | 16 | | **213,002** | | 388,136 |
| | | | **652,187** | | 891,537 |
| **Current assets** | | | | | |
| Stocks | 17 | **57,871** | | 53,633 | |
| Debtors | 18 | **2,018,286** | | 1,240,561 | |
| Investments | 19 | **19,435** | | 3,895 | |
| Cash at bank and in hand | | **825,686** | | 1,794,428 | |
| | | **2,921,278** | | 3,092,517 | |
| Creditors: amounts falling due within one year | 20 | **(520,946)** | | (573,706) | |
| **Net current assets** | | | **2,400,332** | | 2,518,811 |
| **Total assets less current liabilities** | | | **3,052,519** | | 3,410,348 |
| Defined benefit pension scheme asset/(liability) | 22 | | **4,620,000** | | 3,665,000 |
| **Total net assets** | | | **7,672,519** | | 7,075,348 |
| **Funds** | | | | | |
| Unrestricted funds: | | | | | |
| General | 23 | | **3,052,519** | | 3,134,494 |
| Pension fund reserve | 23 | | **4,620,000** | | 3,665,000 |
| **Total funds** | | | **7,672,519** | | 6,799,494 |
| Restricted funds | 24 | | **-** | | 275,854 |
| | | | **7,672,519** | | 7,075,348 |

**These financial statements were approved by the members of the committee on** 16/10/24 **and are signed on their behalf by:**

**N Hinton**
**Trustee**

**Company Registration No. 5241249 (England and Wales)**

# PURE INNOVATIONS LIMITED

## Consolidated Statement of Cash Flows
## Year ended 31 March 2024

| | Notes | 2024 £ | 2024 £ | 2023 £ | 2023 £ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash generated in operating activities | 26 | | **(1,006,707)** | | 261,692 |
| **Cash used in investing activities** | | | | | |
| Purchase of tangible fixed assets | | **(195,798)** | | (272,743) | |
| Disposal proceeds of tangible fixed assets | | **-** | | 37,635 | |
| Disposal of Investments | | **267,496** | | - | |
| Purchase of Investments | | **(83,313)** | | (400,000) | |
| Interest income | | **49,580** | | 11,619 | |
| **Net cash used in investing activities** | | | **37,965** | | (623,489) |
| **Net increase in cash and cash equivalents** | | | **(968,742)** | | (361,797) |
| Cash and cash equivalents at beginning of year | | | **1,794,428** | | 2,156,225 |
| **Cash and cash equivalents at end of year** | | | **825,686** | | 1,794,428 |

## 1. Company information

Pure Innovations Limited is a private company limited by guarantee and incorporated in England and Wales. The registered office is Unit 5, Station View, Hazel Grove, Stockport, SK7 5ER.

## 2. 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 the charity's governing document, the Companies Act 2006 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

### Going concern

The Trustees have assessed whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

Having regard to these matters the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

### Income

Income is the amount derived from the provision of goods/services and stated after trade discounts, other sales taxes, and VAT where applicable.

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the grant are not yet met.

Investment income is recognised on a receivable basis.

## 2. Accounting Policies (continued)

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the delivery of its activities and services provided for its beneficiaries and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis as detailed in the accounts.
- Other expenditure represents those items not falling into any other heading.

### Funds structure

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 26 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

### Volunteers

The value of services provided by volunteers is not included in the financial statements.

### Donated goods, services, and facilities

On any occasion where goods and services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. Any goods given to the charity and held for stock are only recognised in the year that the goods are distributed or used.

### Tangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---|---|---|
| IT equipment | - | 33% of cost |
| Catering equipment | - | 20% of cost |
| Fixtures and fittings | - | 25/33% of cost |
| Leasehold improvements | - | 10/20% of cost |
| Motor vehicles | - | 33% of cost |

## 2. Accounting Policies (continued)

### Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

### Stocks

Stock is included at the lower of cost or net realisable value.

### Pensions

The company operates two pension schemes for employees.

Employees of Pure Innovations Limited have been eligible to join the Greater Manchester Pension Fund, which is a defined benefit scheme. It is funded by contributions from employees and the Company as an employer. The assets of the scheme are held separately in a fund administered for the benefit of Local Authority employees and those other scheduled bodies.

Following auto enrolment, the charity also operates a defined contribution pension scheme operated by NEST. The assets of the scheme are held separately from those of the charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

### Debtors

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

### Cash at bank and in hand

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

### Creditors and provisions

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount after allowing for any trade discounts due.

### Financial instruments

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

## 3. Legal status of the Charity

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 6 (2023: 8).

## 4. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 5. Donations and legacies

| | **Unrestricted Funds** | **Restricted Funds** | **Total Funds 2024** | Unrestricted Funds | Restricted Funds | Total Funds 2023 |
|---|---|---|---|---|---|---|
| | **£** | **£** | **£** | £ | £ | £ |
| Appeals and donations | - | - | - | 13,008 | - | 13,008 |

## 6. Other trading income

| | **Unrestricted Funds** | **Restricted Funds** | **Total Funds 2024** | Unrestricted Funds | Restricted Funds | Total Funds 2023 |
|---|---|---|---|---|---|---|
| | **£** | **£** | **£** | £ | £ | £ |
| Commercial trading operations: | | | | | | |
| Other services | - | - | - | 2,778 | - | 2,778 |
| | - | - | - | 2,778 | - | 2,778 |

## 7. Income from charitable activities

| | **Unrestricted Funds** | **Restricted Funds** | **Total Funds 2024** | Unrestricted Funds | Restricted Funds | Total Funds 2023 |
|---|---|---|---|---|---|---|
| | **£** | **£** | **£** | £ | £ | £ |
| Care services | **3,254,598** | - | **3,254,598** | 3,260,731 | 573,330 | 3,834,061 |
| Supported employment | **3,632,378** | - | **3,632,378** | 2,747,820 | - | 2,747,820 |
| Catering | **1,115,259** | - | **1,115,259** | 977,284 | - | 977,284 |
| Other activities | **442,222** | - | **442,222** | 441,555 | - | 441,555 |
| | **8,444,457** | - | **8,444,457** | 7,427,390 | 573,330 | 8,000,720 |

## 8. Investment income

| | Unrestricted Funds 2024 £ | Total Funds 2024 £ | Unrestricted Funds £ | Total Funds 2023 £ |
|---|---|---|---|---|
| Investment income | **49,580** | **49,580** | 11,619 | 11,619 |
| Pension finance income | **173,000** | **173,000** | - | - |
| | **222,580** | **222,580** | 11,619 | 11,619 |

The investment income arises from interest bearing deposit accounts.

## 9. Analysis of expenditure on charitable activities - current year

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Total 2024 £ |
|---|---|---|---|---|---|
| Payroll, and wage costs | **1,851,731** | **2,893,412** | **662,762** | **287,216** | **5,695,121** |
| Pension service cost | **18,135** | **20,240** | **6,215** | **2,410** | **47,000** |
| Cost of sales and kitchen equipment | **10,996** | **-** | **519,619** | **-** | **530,615** |
| Premises costs | **189,415** | **50,701** | **169,215** | **6,578** | **415,909** |
| General administration | **57,620** | **13,030** | **6,191** | **2,050** | **78,891** |
| Travel and subsistence | **63,526** | **66,892** | **4,140** | **3,256** | **137,814** |
| Equipment | **9,552** | **6,566** | **21,730** | **277** | **38,125** |
| Depreciation | **-** | **8,832** | **-** | **-** | **8,832** |
| Pure Insight costs | **-** | **-** | **-** | **-** | **-** |
| Professional including IT | **443** | **29,741** | **19,345** | **2,061** | **51,590** |
| Support costs (note 10) | **508,229** | **567,221** | **174,155** | **67,549** | **1,317,154** |
| Governance | **5,994** | **6,690** | **2,054** | **797** | **15,535** |
| | **2,715,641** | **3,663,325** | **1,585,426** | **372,194** | **8,336,586** |

Expenditure on charitable activities was £8,336,586 (2023: £8,040,576) of which £8,336,586 (2023: £7,516,184) was unrestricted and £Nil (2023: £524,392) was restricted.

## 9. Analysis of expenditure on charitable activities - prior year

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Insight 1628 £ | Total 2024 £ |
|---|---|---|---|---|---|---|
| Payroll, and wage costs | 1,651,017 | 2,161,835 | 639,117 | 271,352 | - | 4,723,321 |
| Pension service cost | 85,763 | 77,916 | 27,711 | 11,610 | - | 203,000 |
| Cost of sales and kitchen equipment | 4,120 | - | 457,878 | - | - | 461,998 |
| Premises costs | 203,735 | 30,568 | 119,719 | 4,164 | - | 358,186 |
| General administration | 51,004 | 18,771 | 8,329 | 1,692 | - | 79,796 |
| Travel and subsistence | 65,800 | 48,354 | 1,533 | 3,114 | - | 118,801 |
| Equipment | 8,383 | 2,955 | 13,360 | 572 | - | 25,270 |
| Depreciation | - | 2,552 | - | - | - | 2,552 |
| Pure Insight 1628 costs | - | - | - | - | 735,418 | 735,418 |
| Professional including IT | 592 | 13,831 | 17,407 | 3,604 | - | 35,434 |
| Support costs (note 10) | 540,032 | 490,619 | 174,492 | 73,106 | - | 1,278,249 |
| Governance | 7,837 | 7,120 | 2,532 | 1,062 | - | 18,551 |
| | 2,618,283 | 2,854,521 | 1,462,078 | 370,276 | 735,418 | 8,040,576 |

## 10. Analysis of support costs - current year

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these along with the remaining support costs, are attributed to the key charitable activities. These are allocated on a basis consistent with the income derived from the individual activities. Allocation between individual activities under any other basis is considered impracticable.

| | Care Services | Employment Support | Catering | Other Activities | Total 2024 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Central support costs:* | | | | | |
| Payroll, and wages costs | **236,185** | **263,600** | **80,934** | **31,391** | **612,110** |
| Cost of sales and kitchen equipment | **6** | **6** | **2** | **1** | **15** |
| Premises costs | **48,043** | **53,619** | **16,463** | **6,385** | **124,510** |
| General administration | **13,826** | **15,430** | **4,738** | **1,838** | **35,832** |
| Travel and subsistence | **4,589** | **5,122** | **1,573** | **610** | **11,894** |
| Equipment | **5,995** | **6,691** | **2,055** | **797** | **15,538** |
| Depreciation | **89,480** | **99,867** | **30,662** | **11,893** | **231,902** |
| Professional including IT | **83,334** | **93,007** | **28,556** | **11,076** | **215,973** |
| Marketing | **-** | **-** | **-** | **-** | **-** |
| Irrecoverable VAT | **21,086** | **23,533** | **7,225** | **2,803** | **54,647** |
| Re-organisation costs | **5,685** | **6,345** | **1,948** | **755** | **14,733** |
| Governance costs: | | | | | |
| Audit | **5,994** | **6,690** | **2,054** | **797** | **15,535** |
| | **514,223** | **573,910** | **176,210** | **68,346** | **1,332,689** |

**Analysis of support costs - prior year**

| | Care Services | Employment Support | Catering | Other Activities | Total 2023 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Central support costs:* | | | | | |
| Payroll, and wages costs | 254,759 | 231,449 | 82,317 | 34,488 | 603,013 |
| Cost of sales and kitchen equipment | (25) | (23) | (8) | (4) | (60) |
| Premises costs | 51,404 | 46,700 | 16,609 | 6,959 | 121,672 |
| General administration | 31,522 | 28,638 | 10,185 | 4,267 | 74,612 |
| Travel and subsistence | 5,999 | 5,450 | 1,938 | 812 | 14,199 |
| Equipment | 5,582 | 5,071 | 1,804 | 756 | 13,213 |
| Depreciation | 98,728 | 89,694 | 31,900 | 13,365 | 233,687 |
| Professional including IT | 65,117 | 59,159 | 21,040 | 8,815 | 154,131 |
| Marketing | - | - | - | - | - |
| Irrecoverable VAT | 22,970 | 20,869 | 7,422 | 3,110 | 54,371 |
| Re-organisation costs | 3,976 | 3,612 | 1,285 | 538 | 9,411 |
| | 540,032 | 490,619 | 174,492 | 73,106 | 1,278,249 |
| Governance costs: | | | | | |
| Audit | 7,837 | 7,120 | 2,532 | 1,062 | 18,551 |
| | 547,869 | 497,739 | 177,024 | 74,168 | 1,296,800 |

**11. Net income/(expenditure) for the year**

This is stated after charging:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Depreciation | **240,734** | 242,018 |
| Auditor's fees - for audit services | **13,000** | 13,925 |
| - for financial statements | **1,500** | 2,250 |
| Other recognised losses | **562,280** | - |

The other recognised losses relates to the transfer of the Pure Insight 1628 funds to the separate charity which carries on this work.

**12. Analysis of staff costs, trustees' remuneration and the cost of key management personnel**

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Wages, salaries, and other staffing costs | **5,685,623** | 4,787,932 |
| Social security costs | **429,067** | 351,810 |
| Pension costs (including service cost) | **239,541** | 389,592 |
| | **6,354,231** | 5,529,334 |

Pension funding within the Statement of Financial Activities includes £47,000 (2023: £203,000) in relation to the current service cost as included in the pension scheme note.

Two employee's (2023: one) had emoluments in excess of £60,000 (2023: £60,000). These employees fell into the following pay bands:

| | 2024 | 2023 |
|---|---|---|
| | No | No |
| £60,000 - £69,999 | **1** | 1 |
| £70,000 - £79,999 | **1** | - |
| | **2** | 1 |

The key management personnel of the charity comprise the trustees and the Corporate Management Team. The total company employee benefits of the key management personnel of the Trust were £353,440 (2023: £302,525).

A strong team of volunteers that support our operations have given their time in the period. No value has been attributed to volunteer time.

**13. Staff numbers**

The average monthly number of full time employed by the charity during the year was:

| | 2024 | 2023 |
|---|---|---|
| | No | No |
| | **257** | 225 |

## 14. Corporation tax

As a charity, the company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent they are applied to its charitable objectives. No corporation tax charge for the period was incurred by any of the trading subsidiaries and on this basis no provision has been made for corporation tax.

## 15. Tangible fixed assets

| | IT Systems | Catering Equipment | Fixtures and Fittings | Leasehold Improvements | Motor Vehicles | Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Cost** | | | | | | |
| At 1st April 2023 | 319,178 | 268,415 | 61,801 | 189,169 | 306,522 | 1,145,085 |
| Additions | 63,623 | 36,857 | 8,404 | 64,239 | 22,675 | 195,798 |
| Disposals | (27,431) | (42,431) | (14,088) | - | (35,752) | (119,702) |
| Transfer Pure Insight | (15,596) | - | (9,756) | - | (19,999) | (45,351) |
| **At 31 March 2024** | **339,774** | **262,841** | **46,361** | **253,408** | **273,446** | **1,175,830** |
| **Depreciation** | | | | | | |
| At 1st April 2023 | 170,386 | 202,694 | 43,731 | 54,023 | 170,850 | 641,684 |
| Charge for the year | 82,435 | 43,781 | 8,842 | 40,623 | 65,053 | 240,734 |
| Eliminated on disposal | (27,431) | (42,431) | (14,088) | - | (35,752) | (119,702) |
| Transfer Pure Insight | (12,556) | - | (3,388) | - | (10,127) | (26,071) |
| **At 31st March 2024** | **212,834** | **204,044** | **35,097** | **94,646** | **190,024** | **736,645** |
| **Net book value** | | | | | | |
| **At 31st March 2024** | **126,940** | **58,797** | **11,264** | **158,762** | **83,422** | **439,185** |
| At 31st March 2023 | 148,792 | 65,721 | 18,070 | 135,146 | 135,672 | 503,401 |

## 16. Investments

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Market value at 1 April 2023 | **388,136** | - |
| Additions at cost | **83,313** | 400,000 |
| Disposals at market value | **(267,496)** | - |
| Net (loss) on revaluation | **9,049** | (11,864) |
| Market value at 31 March 2024 | **213,002** | 388,136 |

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

| 17. Stock | 2024 £ | 2023 £ |
|---|---|---|
| Goods for resale | **57,871** | 53,633 |
| | **57,871** | 53,633 |

| 18. Debtors | 2024 £ | 2023 £ |
|---|---|---|
| Trade debtors | **1,124,350** | 613,323 |
| Other debtors and prepayments | **893,936** | 627,238 |
| | **2,018,286** | 1,240,561 |

| 19. Current asset investments | 2024 £ | 2023 £ |
|---|---|---|
| Cash on short-term deposits | **19,435** | 3,895 |
| | **19,435** | 3,895 |

| 20. Creditors: amounts falling due within one year | 2024 £ | 2023 £ |
|---|---|---|
| Trade creditors | **139,645** | 114,094 |
| Other taxes and social security | **130,837** | 102,885 |
| Other creditors and accruals | **250,464** | 356,727 |
| | **520,946** | 573,706 |

**21. Commitments under operating leases**

The company leases its main business premises, several café premises and other equipment under formal operating leases. The lease agreements terminate between 2021 and 2026. At 31 March 2024 the company had annual commitments under non-cancellable operating leases as set out below.

| Land & buildings | 2024 £ | 2023 £ |
|---|---|---|
| Operating leases which expire: | | |
| Within 1 year | **234,173** | 222,114 |
| Within 2 to 5 years | **277,833** | 416,383 |
| | **512,006** | 638,497 |

## 22. Retirement benefit schemes

### Defined contribution scheme - NEST

New employees of the company are only able to join the National Employment Savings Trust (NEST) pension scheme. Under current legislations employees not in the GMPF are automatically enrolled into NEST unless they have exercised their right to opt out of scheme membership. This is a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The employee and employer contributions are 3% for employees and 5% for employers in 2024. Employer's contributions of £113,750 (2023 - £98,000) have been paid to this scheme in the year.

### Defined benefit schemes - GMPF

The company operates a defined benefit scheme for employees. The scheme is an admitted body to the Greater Manchester Pension Fund. The GMPF scheme is a local government pension scheme and is administered by Tameside Metropolitan Borough in accordance with the Local Government Pension Scheme regulations. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the statement of financial activities so as to spread the costs of pensions over the service lives of the employees. Variations from the regular costs are spread over the average expected remaining working lives of current members of the scheme.

Members of the scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution Scheme, each of which is funded by the employee alone.

Members of the GMPF accrue an indexed linked pension of 1/80$^{th}$ of the best of the last 3 years pensionable service for each year of service. Additional benefits include a lump sum on retirement, continued (reduced) pensions for a spouse on death of a member and benefits for dependents on death or permanent incapacity. service.

The latest formal valuation of the scheme for the purposes of setting employers' actual contributions was on 31 March 2024.

Contributions to the scheme have been made during 2024 at rates that have been recommended by GMPF actuarial advisors. These are:

Employee - Banded rate based on pensionable earnings between 5.5% and 8.5%

Employer's – 18.7% of pensionable earnings

When the company joined GMPF on 1 July 2005 there was a transfer of employees from Stockport MBC. The transfer of pension arrangements was on a fully funded basis i.e. there was no transfer of deficit in the Fund attributable to the transferring employees (on the ongoing valuation basis) from Stockport MBC. It should be noted that the year-end valuation calculated under FRS17, showed a variation from the initial valuation which was made using a differing accounting convention.

The valuation in these financial statements assumes a notional re-allocation of assets in the Fund from Stockport MBC to Pure Innovations Limited on this basis.

### Financial Assumptions

| The key financial assumptions used are: | **2024** **% pa** | 2023 % pa |
|---|---|---|
| Inflation/pension increases | **2.75%** | 2.95% |
| Salary Increases | **3.55%** | 3.75% |
| Discount rate | **4.85%** | 4.75% |

## 22. Retirement benefit schemes (continued)

| Mortality Assumptions | 2024 Years | | 2023 Years | |
|---|---|---|---|---|
| The period of pension drawdown: | **Current** | **Future** | Current | Future |
| Male | **20.2** | **21.1** | 20.4 | 21.3 |
| Female | **24.4** | **25.3** | 24.6 | 25.5 |

**Key assumptions**

*Life expectancy*

Life expectancy is based on the CMI 2021 model with a 0% weighting of 2021 (and 2020) data, standard smoothing (sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% pa.

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

*Discount rates*

In accordance with FRS 102 the discount rate used to place a value on the liabilities should be determined by reference to market yields on high quality corporate bonds at the reporting date. In addition, the currency and term of the high-quality corporate bonds used to set the discount rate should be consistent with the currency and term of the obligations.

Government bond yield curves are updated and available on a daily basis from the Bank of England. It is therefore relatively easy to identify a spot yield on Government bonds at any duration and at any date. Unfortunately, a similarly accessible corporate bond yield curve is not so readily available.

The discount rate should reflect the 'term' of the benefit obligation. 'Term' has been interpreted as the weighted average duration of the benefit obligation. This is broadly defined as 'the weighted average time until payment of all expected future discounted cashflows, determined based on memberships and the financial and demographic assumptions at a particular time' The shorter the duration, the more 'mature' the employer.

*Retail Prices Inflation*

This assumption is typically derived from yields available on fixed interest and index linked Government bonds and should be consistent with the derivation of the discount rate.

*Pension increases*

The pension increase assumption is set in line with the Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist. Therefore, it is necessary to estimate the long-term gap between RPI and CPI in order to derive a CPI assumption for accounting purposes.

*Salary growth*

The assumption is generally consistent with the most recent actuarial valuation. An additional allowance for promotional salary increases is also made.

| 22. Retirement benefit schemes (continued) | Scheme Assets £ | Scheme Liabilities £ | Net Pension Liability £ |
|---|---|---|---|
| ***Shown in the Statement of Financial Activities*** | | | |
| ***Current year*** | | | |
| *Service cost* | | | |
| Current service cost | - | (109,000) | (109,000) |
| Past service cost | - | (21,000) | (21,000) |
| **Total service costs** | - | (130,000) | (130,000) |
| *Net Interest* | | | |
| Interest income on plan assets | 776,000 | - | 776,000 |
| Interest cost on defined benefit obligation | - | (603,000) | (603,000) |
| **Total net interest** | 776,000 | (603,000) | 173,000 |
| *Cashflows* | | | |
| Employer's contributions | 83,000 | - | 83,000 |
| Members' contributions | 28,000 | (28,000) | - |
| Benefits paid | (375,000) | 375,000 | - |
| **Total cashflows** | (264,000) | 347,000 | 83,000 |
| **Total costs in Statement of Financial Activities** | 512,000 | (386,000) | 126,000 |
| Opening position at 1 April 2023 | 16,461,000 | (12,796,000) | 3,665,000 |
| Changes in financial assumptions | - | 772,000 | 772,000 |
| Changes in demographic assumptions | - | 79,000 | 79,000 |
| Other experience | - | (418,000) | (418,000) |
| Return on assets excluding net interest | 396,000 | - | 396,000 |
| **Total remeasurements recognised in OCI** | 16,857,000 | (12,363,000) | 4,494,000 |
| **Closing position at 31 March 2024** | 17,369,000 | (12,749,000) | 4,620,000 |

| 22. Retirement benefit schemes (continued) | Scheme Assets £ | Scheme Liabilities £ | Net Pension Liability £ |
|---|---|---|---|
| ***Shown in the Statement of Financial Activities Prior year*** | | | |
| *Service cost* | | | |
| Current service cost | - | (229,000) | (229,000) |
| **Total service costs** | - | (229,000) | (229,000) |
| *Net Interest* | | | |
| Interest income on plan assets | 440,000 | - | 440,000 |
| Interest cost on defined benefit obligation | - | (512,000) | (512,000) |
| **Total net interest** | 440,000 | (512,000) | (72,000) |
| *Cashflows* | | | |
| Employer's contributions | 32,000 | (32,000) | - |
| Members' contributions | 98,000 | - | 98,000 |
| Benefits paid | (190,000) | 190,000 | - |
| **Total cashflows** | (60,000) | 158,000 | 98,000 |
| **Total costs in Statement of Financial Activities** | 380,000 | (583,000) | (203,000) |
| Opening position at 1 April 2022 | 16,030,000 | (18,589,000) | (2,559,000) |
| Changes in financial assumptions | - | 7,256,000 | 7,256,000 |
| Changes in demographic assumptions | - | (219,000) | (219,000) |
| Other experience | 139,000 | (661,000) | (522,000) |
| Return on assets excluding net interest | (88,000) | - | (88,000) |
| **Total remeasurements recognised in OCI** | 16,081,000 | (12,213,000) | 3,868,000 |
| **Closing position at 31 March 2023** | 16,461,000 | (12,796,000) | 3,665,000 |

**22. Retirement benefit schemes (continued)**

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| *Fair value of plan assets at the reporting period end* | | |
| Equity instruments | **11,810,920** | 11,524,000 |
| Debt instruments | **2,605,350** | 2,305,000 |
| Property | **1,389,520** | 1,316,000 |
| Cash | **1,563,210** | 1,316,000 |
| | **17,369,000** | 16,461,000 |

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| *The defined benefit obligations arise from plans funded as follows:* | | |
| Wholly unfunded obligations | - | - |
| Wholly or partly funded obligations | **12,749,000** | 12,796,000 |
| | **12,749,000** | 12,796,000 |

**23. Unrestricted Funds - current year**

| | Balance at 1 April 2023 £ | Incoming resources £ | Resources expended £ | Exceptional item £ | Actuarial Gains £ | Balance at 31 March 2024 £ |
|---|---|---|---|---|---|---|
| **General fund** | 3,134,494 | **8,494,037** | **(8,289,586)** | **(286,426)** | **-** | **3,052,519** |
| Pension fund reserve | 3,665,000 | **173,000** | **(47,000)** | - | **829,000** | **4,620,000** |
| **Total general funds** | 6,799,494 | **8,667,037** | **(8,336,586)** | **(286,426)** | **829,000** | **7,672,519** |

**Unrestricted Funds - prior year**

| | Balance at 1 April 2022 £ | Incoming resources £ | Resources expended £ | Exceptional item £ | Actuarial Gains/ (losses) £ | Balance at 31 March 2023 £ |
|---|---|---|---|---|---|---|
| **General fund** | 2,992,883 | 7,454,795 | (7,313,184) | - | - | 3,134,494 |
| Pension fund reserve | (2,559,000) | - | (203,000) | - | 6,427,000 | 3,665,000 |
| **Total general funds** | 433,883 | 7,454,795 | (7,516,184) | - | 6,427,000 | 6,799,494 |

## 24. Restricted funds - current year

| | Balance at 1 April 2023 £ | Incoming resources £ | Resources expended £ | Other gains/(losses) £ | Balance at 31 March 2024 £ |
|---|---|---|---|---|---|
| Christmas Activities | 6,924 | - | - | (6,924) | - |
| St James Place | 9,167 | - | - | (9,167) | - |
| Salford MBC | 53,325 | - | - | (53,325) | - |
| The Henry Smith Charity | 25,000 | - | - | (25,000) | - |
| Stockport Local Fund | 181 | - | - | (181) | - |
| National Lottery | 54,809 | - | - | (54,809) | - |
| Stockport MBC | 8,789 | - | - | (8,789) | - |
| Warrington | 1,990 | - | - | (1,990) | - |
| Cheshire Community Foundation Warrington | 27,945 | - | - | (27,945) | - |
| The Rayne Foundation | 8,333 | - | - | (8,333) | - |
| Paul Hamlyn Foundation | 3,000 | - | - | (3,000) | - |
| The Welland Trust | 35,416 | - | - | (35,416) | - |
| Cheshire East | 33,306 | - | - | (33,306) | - |
| Co-op Community Funding | 3,503 | - | - | (3,503) | - |
| Edward Gosling | 4,166 | - | - | (4,166) | - |
| **Total unrestricted funds** | 275,854 | - | - | (275,854) | - |

**Other gains/(losses)**

The above losses relate to the transfer of the opening restricted fund balances as at 1 April 2023 to the former charity within a charity Pure Insight 1628. Pure Insight 1628 now operates as a separate charity.

| Name of restricted fund | Description, nature, and purposes of the fund |
|---|---|
| **Christmas Activities** | This is money raised to deliver activities over the Christmas period for care leavers who would otherwise be alone. Any funds remaining can be used for other activities throughout the year as per our Just Giving statement. |
| **Steve Morgan Foundation** | Supporting our delivery of services to care leavers in Crewe. |
| **St James Place** | This funding is to support our counselling provision. |
| **Williams Foundation** | This enables us to help fund a small package of household goods for clients moving into a property for the first time. |
| **The Henry Smith Charity** | This fund is being used to fund a Psychological Wellbeing Worker to provide counselling, emotional support and life skills training to young people aged between 16-28, who are leaving care in Stockport. |
| **National Lottery** | To scale our successful mentoring programme into two new local authority areas and secure funding for the service in the longer term. |

24. Restricted funds - current year (continued)

| Name of restricted fund | Description, nature, and purposes of the fund |
|---|---|
| **Spark Foundation** | This enables us to help cover some expenses for clients when they are moving home. |
| **Warrington** | To support the range of services we are delivering in that borough, in addition to the local council contribution. |
| **Cheshire Community Foundation** | This has helped us to provide additional activities within our Cheshire East and Warrington areas, such as the operation of a café, and psychological wellbeing service and counselling. |
| **The Rayne Foundation** | This has provided match funding for our psychological wellbeing service in Cheshire East |
| **Awards for All** | This fund has been used to support the organisation achieve its objectives by providing funding to purchase a van. |
| **Paul Hamlyn Foundation** | This fund has helped us to support young people across a wide geographical area, by providing core funding which has been used in a variety of ways |
| **The Welland Trust** | This specifically has allowed us to recruit an additional post, being an employment officer who works across two areas. |
| **Schroder** | This will be used to provide top up funding enabling some of our activities to take place. |
| **Co-op Community Funding** | Funding to support the training of new volunteer mentors. |
| **Edward Gosling Foundation** | Supporting our provision in Trafford and counselling services |

| 24. Restricted funds - prior year | Balance at 1 April 2022 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2023 £ |
|---|---|---|---|---|---|
| Christmas Activities | 12,850 | 14,160 | (20,086) | - | 6,924 |
| Steve Morgan Foundation | - | 16,500 | (16,500) | - | - |
| St James Place | - | 10,000 | (833) | - | 9,167 |
| Williams Foundation | 336 | - | (336) | - | - |
| Salford MBC | - | 53,325 | - | - | 53,325 |
| The Henry Smith Charity | 14,387 | 60,000 | (49,387) | - | 25,000 |
| Stockport Local Fund | - | 24,060 | (23,879) | - | 181 |
| National Lottery | 103,314 | 36,000 | (84,505) | - | 54,809 |
| Spark Foundation | 68 | - | (68) | - | - |
| Stockport MBC | - | 95,895 | (87,106) | - | 8,789 |
| Warrington | 5,210 | 30,000 | (33,220) | - | 1,990 |
| Cheshire Community Foundation Warrington | - | 27,945 | - | - | 27,945 |
| Cheshire Community Foundation Cheshire East | 15,166 | 2,500 | (17,666) | - | - |
| The Rayne Foundation | 8,333 | 25,000 | (25,000) | - | 8,333 |
| Awards for All | 5,833 | - | (5,833) | - | - |
| Paul Hamlyn Foundation | 17,500 | 10,500 | (25,000) | - | 3,000 |
| The Welland Trust | 38,919 | 34,001 | (37,504) | - | 35,416 |
| Schroder | 5,000 | - | (5,000) | - | - |
| Cheshire East | - | 104,623 | (71,317) | - | 33,306 |
| Co-op Community Funding | - | 3,821 | (318) | - | 3,503 |
| Edward Gosling | - | 25,000 | (20,834) | - | 4,166 |
| **Total unrestricted funds** | 226,916 | 573,330 | (524,392) | - | 275,854 |

| 25. Analysis of assets between funds - current year | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | **439,185** | - | - | **439,185** |
| Cash at bank and in hand | **825,686** | - | - | **825,686** |
| Other net current assets | **1,787,648** | - | - | **1,787,648** |
| Defined benefit pension asset | - | **4,620,000** | - | **4,620,000** |
| | **3,052,519** | **4,620,000** | - | **7,672,519** |

| Analysis of assets between funds - prior year | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | 503,401 | - | - | 503,401 |
| Cash at bank and in hand | 1,794,428 | - | - | 1,794,428 |
| Other net current assets | 836,665 | - | 275,854 | 1,112,519 |
| Defined benefit pension asset | - | 3,665,000 | - | 3,665,000 |
| | 3,134,494 | 3,665,000 | 275,854 | 7,075,348 |

| 26. Cash used in operations | 2024 £ | 2023 £ |
|---|---|---|
| Net movement in funds | **330,451** | (12,451) |
| *Adjustments for:* | | |
| Depreciation | **240,734** | 242,018 |
| Interest income | **(49,580)** | (11,619) |
| Transfer of Pure Insight 1628 funds | **(562,280)** | - |
| Net pension costs in SOFA | **(126,000)** | 203,000 |
| (Profit)/Loss on fixed asset investments | **(9,049)** | 11,864 |
| (Profit)/Loss on disposal of assets | **19,280** | (23,497) |
| *Movements in working capital:* | | |
| (Increase)/decrease in stock | **(4,238)** | (14,333) |
| (Increase) in debtors | **(793,265)** | (64,298) |
| Increase in creditors | **(52,760)** | (68,992) |
| **Net cash generated in operations** | **(1,006,707)** | 261,692 |

| 27. Net debt reconciliation - current year | 1 April 2023 | Cash flows | 31 March 2024 |
|---|---|---|---|
| **The Group** | **£** | **£** | **£** |
| Cash | 1,794,428 | **(968,742)** | **825,686** |
| | 1,794,428 | **(968,742)** | **825,686** |

| Net debt reconciliation - prior year | 1 April 2022 | Cash flows | 31 March 2023 |
|---|---|---|---|
| **The Group** | **£** | **£** | **£** |
| Cash | 2,156,225 | (361,797) | 1,794,428 |
| | 2,156,225 | (361,797) | 1,794,428 |

**PURE INNOVATIONS LIMITED**

England & Wales - Charity number 1111252

# Accounts

Company Registration Number: 5241249
Charity Number: 1111252

# PURE INNOVATIONS LIMITED

## A COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

**For the year ended**
**31 March 2023**

# PURE INNOVATIONS LIMITED

**Financial Statements**
**Year ended 31 March 2023**

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# PURE INNOVATIONS LIMITED

## Legal and Administrative Details

| | |
|---|---|
| **Company number** | 1111252 |
| **Charity number** | 5241249 |
| **Registered office** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Principal address** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Trustees** | Miss N Hinton<br>Mrs H White<br>Mrs L Powis<br>Ms J Walker<br>Mr P Greenhalgh (appointed 12 September 2022)<br>Mr C Hemingway (appointed 26 August 2022) |
| **Corporate Management Team** | Mr S Brierley - Director of Finance<br>Mrs L Parrott-Bates - Chief Executive<br>Mr P Locke - Director of Infrastructure<br>Miss Monika Wieczorek-Alhamoud – HR Director<br>Mrs A Noon – Director of Learning and Development |
| **Bankers** | The Co-operative Bank plc<br>1 Balloon Street<br>Manchester<br>M4 4BE |
| **Auditors** | Mitchell Charlesworth (Audit) Limited<br>3rd floor, 44 Peter Street<br>Manchester<br>M2 5GP |

# PURE INNOVATIONS LIMITED

**Trustees' Report**
**Year ended 31 March 2023**

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The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with 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).

**Purposes and Activities**
Pure Innovations aims to foster and promote for the benefit of the public, the advancement of education, the relief of poverty and sickness and for any other charitable purposes by all or any of the following means:

- The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.
- The advancement of education, training or re-training, particularly amongst unemployed people and providing unemployed people with work experience and among the providers of education, training and work experience to beneficiaries of the Charity.
- The provision or assistance in the provision of care and recreational facilities in the interests of social welfare
- for those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities with the object of improving the beneficiaries' conditions of life.

The overall aim is to promote independence, increase choice and provide more appropriate support to people to make the most of their capacity and potential.

Following the transfer of the undertaking from Stockport MBC Social Services Department on 1st July 2005, the following activities have been developed:

Care activities- provide support for clients right across the disability spectrum including learning disability, mental or physical / sensory disability, assisting them as individuals to develop skills, independence and wellbeing as much as possible.

This could be undertaken within our catering services offer. In the four cafes which we run we offer training opportunities in customer care, health and safety and food hygiene. We have transformed one of our previous cafes into a space producing bread and cake supplying both our own cafes but also small independent cafes in the area. All produce is made by our clients with a disability. This won the Charity Award Disability category at a prestigious event held at the Royal Lancaster Hotel in London in June 2022.

Other opportunities exist through the One Voice, which seeks to raise awareness throughout Stockport of the issues faced by people who are from the most disadvantaged area by producing material for a community radio station. We also have various arts and animation offers in various locations and we are looking to develop and broaden these for the benefits of the client group. This has included developing a ceramics, animation, and gaming offer to our clients in Stockport.

Throughout this document the people we support are referred to as clients, students or learners depending on the service activity.

**Employment Services** – these seek to find employment for the long term unemployed and socially disadvantaged people who are not catered for, or who have been rejected by mainstream service providers. Working in partnership with large public sector and private sector employers to educate, encourage and support them to employ a diverse workforce including disabled people. An important part of this service is to seek ways of retaining employment for such people who may be at risk of losing their employment status. To support employers, we run disability awareness training to the workforce free of charge – allowing them to diversify their workforce and upskill their existing workforce.

We also deliver a variety of **Education and Training** courses, both accredited and non-accredited courses, including our travel training programme which operates in several boroughs in Greater Manchester. The approach in this area is to maximise the independence and skills ultimately increasing life chances in partnership with education providers to ensure employment outcomes are an aspiration for young people with special educational needs. We deliver 11 Supported Internship sites across Greater Manchester in conjunction with large corporate and public sector organisations to increase the number of people in employment.

**Pure College** became operational in September 2022 and opened its doors as a post 16 specialist college for 12 young people with an Education Health and Care Plan. The course delivered was to prepare people for independence and employment to give them increased opportunities to secure long term employment and the necessary skills associated to that. Each student works towards achieving a "Skills for life and work" certificate with the awarding body Open Awards. This has allowed the charity to draw down income from a new stream of funding Department for Education otherwise only accessible to approved education providers. At the end of its first year the college expanded to meet student needs and now delivers 3 programmes to a cohort of more than 25 students.

**Community Hub**– we have a direct contract with Stockport MBC to provide a contact point for any individual in the Borough who has a social need and, by use of sub-contractors or sometimes the provision of services, we provide to meet as many of those identified needs. This preventative works aims to delay or prevent the escalation of health and social care services, addressing the growing concern around loneliness and isolation experienced by so many in communities. We aim to improve individuals' wellbeing by reducing social isolation and connecting people to their communities with a sense of purpose and meaning. The Community Hub offers a safe space to allow people to connect meaningfully to their local communities to build a network of support and aid resilience and self-support.

**The Mental Health Network** contracted by Stockport MBC supports people with enduring mental health concerns to offer community integration and connectivity with areas of interest. The Network adopts a holistic approach to wellbeing and health including access to complex caseworkers thus provides a specialist counselling service.
The team manage several support and peer groups and additional intensive therapy-based counselling sessions – all with the aim to allow people the resources, insight and networks of support to maintain a level of well-being - resulting in them being less reliant on clinical interventions and prevention of escalation into intensive and costly services and restricted provision. This work has opened opportunities to direct funding and commissioning from the NHS.

Greater Manchester Combined Authority has contracted with us to deliver a **Specialist Supported Employment Service** covering five of the ten Greater Manchester Local Authority areas. The aim is to secure employment for people with a mental health or learning disability diagnosis. More recently we have expanded this service to cover the whole of the Greater Manchester area acting as a referral agency for all mental health teams in each Local Authority and NHS provision.

We have like many businesses been impacted by COVID – over the past 3 years we have supported both our staff and clients to keep safe and well, whilst still needing to deliver essential front line care services. This has required us to work with agility, flexibility and respond to the ever-changing demands and requirements imposed by government changes. We kept a safe space of work for both clients and staff with ever updated risk assessments, guidelines of safe working and PPE for all staff. We continue to deal with the fall out from the pandemic, which includes an increased demand on our Mental Health and Community Hub provision and an impact to the challenges faced by some of our students who present with SEMH issues.

We support over 300 clients with a learning disability or on the ASD spectrum across Greater Manchester to have fulfilled days with meaning and purpose. Leading to many people integrated within their local communities to work in projects of interest that build independence, social skills, confidence, and community engagement. Many of these projects have become a valuable community resource and our clients have contributed to these in many ways.

**Public benefit**
The main activities are outlined in the section above. They are all undertaken to further the charity's purpose for the public benefit, with due regard to the Charity Commission's guidance on this subject, including the guidance "Public benefit: running a charity (PB2)."

**Achievements and Performance**
We provide a range of support services across Greater Manchester. Over the course of the year, we have secured paid work for 213 people; 50 young people have been trained to use public transport independently; 12 young people on track to achieve accreditation for learning. We have supported 339 people in our Pure Support and care to engage in meaningful activities and 2126 people are better connected to their communities or have been supported through our mental health network and talking therapies.

The activities provided for the clients were in the areas of:

- Arts, Pottery and Drama
- Catering and Retail
- Greenspace
- Health and Wellbeing
- Talking Therapy
- Learning Programmes – Work and Life skills
- Pre-Employment and Placement
- Supported in-house session
- Supported Internship
- Travel Training
- Supported Employment
- Health and wellbeing
- Cookery and Baking
- Sport and Exercise
- Music and Dance
- Health and Beauty
- IT
- Woodwork

We survey our clients on a regular basis, and some of the recent outcomes are listed below.

In our most recent venture in opening ***Pure College*** our students have told us the following:

| | |
|---|---|
| Do you feel safe at College | 100% responded yes |
| You are learning at College | 92% responded yes |
| You are becoming more independent at College | 75% responded yes |
| The course is preparing you for work | 83% responded yes |
| You have made friends at College | 100% responded yes |

In terms of ***Supported Employment Services***, people told us the following:

| | |
|---|---|
| Do you feel that your employment goals were achieved | 100% responded yes |
| Do you feel that you were given the preparation for work | 100% responded yes |
| Do you feel that we understood your aspirations and help identify your goals | 100% responded yes |

In our ***Support and Care*** provision they told us the following:

| | |
|---|---|
| Are staff caring and kind | 95% responded yes |
| Do you enjoy the project you attend | 95% responded yes |
| Do you feel your listened to and heard | 100% responded yes |

Our ***staff survey*** resulted in 75% of staff completing and telling us the following:

| | |
|---|---|
| I feel valued and recognised for the work I do | 88% responded yes |
| We all take Health and Safety seriously | 94% responded yes |
| Senior leaders make the effort to listen to the team | 89% responded yes |
| I think I have a good balance between my work and personal life | 91% responded yes |
| I feel the work I do at Pure positively impacts on clients lives | 98% responded yes |
| I feel Pure cares about my wellbeing and mental health | 90% responded yes |

**Financial review**

We have managed to achieve another year of profitable trading. This has been achieved despite austerity measures in the public sector continuing to impact upon most income streams of the business and this still constitutes a major challenge for the foreseeable future.

The main sources of income are in delivery of services funded by local authorities, colleges and through other government contracts. However, there is an increasing reliance upon clients in charge of their own budgets, opting to use that money to spend on our service delivery to them. We are seeking to provide a level of service which goes beyond just retaining those individuals but adding to their number.

The charity's profit for the year (excluding pension service costs) at £101k this was adversely impacted by £9k of redundancy costs.

Outside of the underlying performance of the charity, the net movement in funds is also affected by actuarial movements between years on the pension fund. Actuarial adjustments reported by Hymans Roberts LLP, the Scheme Actuaries has resulted in a movement from a deficit of £2.559m to a surplus of £3.665m a movement of £6.427m, this followed a reduction in the deficit the previous year of £2.611m. This has arisen due to various changes in long term actuarial assumptions. The impacts of these changes arising from the revision of the assumptions used by the Actuaries are outlined in more detail in note 24 to these accounts.

The risk register identifies the major risks as being around the loss of key staff and generally high staff turnover in the business, reductions in income for delivery of core services in response to public sector austerity cuts and the impact of failures of IT systems.

We raised salary levels for our main body of operational staff by a further 4,2% from 1st April 2022, and 10.1% from 1st April 2023, in response to the identified risk and that has resulted in a better recruitment and retention of those types of employees. We are also investing in new IT systems that will add to our operational efficiency, although the risk of failure of those systems is a constant risk which we continue to monitor regularly.

**Pure Insight 1628**

Pure Insight is a charity within the charity of Pure Innovations Ltd. It is separately registered and commenced activities on 1st April 2014 to extend and continue to work with young people attaining adulthood in their transition to Independence from the Social Care System. For reasons of operational efficiency the Boards of Pure Innovations and Pure Insight have resolved to effect the separation of the two organisations and this was achieved after the financial year end on the 10th May 2023.

**Reserves policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergencies. The Charity Commission consider that the minimum level of reserves should be equivalent to 3 months' expenditure. Based on the Business Plan for 2023-2024 this indicates a level of reserves of around £2 million.

The total level of reserves at the end of March 2023 is £2.846 million. We envisage therefore that the level of reserves in the next financial year will continue to exceed that level of reserves which the Charity Commission consider as a minimum.

**Investment powers and policy**

The investment approach has been reviewed to ensure that the company's reserves are as secure as possible and that an element of those reserves have been invested post year end with an intention of earning a return which offsets the impact of inflation.

**Plans for future periods.**

There has been investment in the business, principally in IT systems, and upgrading of properties we occupy, either by internal refurbishment or moving to more appropriate buildings. The intention is that this will ultimately improve our performance and profitability, continuing to retain our existing contracts that align to our strategic objectives, bid for work in our area of knowledge and expertise and grow new funding streams such as NHS and Department for Education.

**Research and development activities of the charity**
We are always looking at identified areas of good practice across the UK to see if we can replicate to enhance our offer and therefore improve the outcomes for disabled and disadvantaged people in our communities.

Recently we have been investing in becoming a more digitally aware organisation meeting the needs of younger people coming into our service. Our ambition is to become a paperless organisation as most of our work is remote in the community and access needs to be on-line.

Our work replicates part of the government's agenda of supporting as many people as possible into employment who are in receipt of benefits. We will pilot new initiatives to achieve this with people furthest away from the labour market.

**Structure, governance and management**

**Governing Document**
The organisation is a charitable company that is limited by guarantee. The company was incorporated on 24th September 2004 and registered as a charity on 12th September 2005. The Company was established under a Memorandum of Association which defines the objects and powers of the charitable company and is governed under its Articles of Association. After the end of the financial year a resolution was passed to amend the Articles Of Association and the board of trustees have approved amended internal governance rules.

**Recruitment and appointment of Trustees**
Members of the Board of Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles of Association are known as Trustees. Under the requirements of the Memorandum and Articles of Association one third of the trustees need to be elected at each AGM. Under the requirements of the Memorandum and Articles of Association trustees are elected for a period of 3 years at the end of which they can be re-elected.

**Trustee induction and training**
We have developed a trustee induction pack, and training is undertaken with the trustees in accordance with the training plan identified following annual trustee appraisals.

**Reference and administrative details**
Reference and administrative details are shown in the legal and administrative details page of the financial statements.

**Organisation**
The directors of the charitable company (the Charity) are its trustees for the purpose of Charity law and directors for the purpose of Company law. The trustees who served the charity during the year were as follows:

**Key management personnel: Trustees' and Directors**

| | |
|---|---|
| Acting Chair: | Ms N Hinton |
| Trustees: | Mrs H White |
| | Mrs L Powis |
| | Ms J Walker |
| | Mr P Greenhalgh (appointed 12 September 2022) |
| | Mr C. Hemingway (appointed 26 August 2022) |

**Key management personnel: Executive Management Team**

| | |
|---|---|
| Director of Finance | Mr S Brierley |
| Chief Executive | Mrs L Parrott-Bates |
| Director of Infrastructure | Mr P Locke |
| Director of Learning and Development | Mrs A Noon |
| HR Director | Miss Monika Wieczorek-Alhamoud |

The Board of Pure Innovations meets every few weeks and they are responsible for the strategic direction and policy of the charity. A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Chief Executive and other members of the Executive Management Team. The Chief Executive has overall responsibility for ensuring that the charity delivers the services specified through the day-to-day operational management of the company, and individual supervision of the other members of the Executive Management Team.

**Employees and employment of disabled persons**
Pure Innovations recognises its role and responsibilities within the local community in identifying and removing those barriers, which prevent disabled people from sharing equally in the rights, benefits, obligations and opportunities to undertake meaningful employment. Pure Innovations actively encourages the employment of colleagues with a disability and is recognised as a Disability Confident Employer by the DWP. We have a strong track record in attracting and retaining people with a disability at all levels of the charity. We regularly make reasonable adjustments for new and existing colleagues to provide holistic support to enable them to fully participate in the workplace and fulfil their potential. At Pure Innovations, 11.5% of the current workforce identifies as having some form of disability. We believe this to be a conservative figure as some employees chose not to declare their disability or do not regard themselves as such.

Pure recognises that as a specialist employer in the local community it has the opportunity to achieve a significant impact on opportunities for disabled people via the development of its employment policy and promotion of work-related positive action initiatives. These help to counteract longstanding disadvantages in gaining access to work and remaining in employment should a person become disabled during their working lives.

Pure Innovations is committed to the creative use of existing resources and the development of imaginative initiatives including job tasters, job trials and job carving. This is enhanced by regular staff briefings and newsletters, team meetings, supervisions and an appraisal system which identifies training and development needs. Within the Pure group there is an exchange of good practice, staff attend disability awareness training and successful developments are promoted on our website and in our social media. Our vacancies are advertised concurrently, internally and externally and staff are encouraged to apply for promotion when they feel ready to do so. We have a succession policy in place which identifies and supports those we see as the potential future leaders of the charity.

**Employee involvement**
Involving all employees is fundamental to how the Company operates, with open communication at all levels. The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect them.

Employee involvement is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the concern plays a major role in maintaining and growing its position.

In the initial phase of an employee's employment, they attend a corporate induction process, included within that is a session on the company's values which underpins the company's approach to staff, volunteers and service users. They are as follows:

Respectful ..... Always treat people the way you would wish to be treated no matter what the situation.
Responsive ..... By listening to others, we solve problems by finding solutions.
Aspirational ..... Achieve the best possible outcomes by continually improving what we do.
Inclusive ..... We are welcoming and involve all in what we do.

**Pay policy for senior staff**

The pay of the Executive Management Team has been determined by the Board of Directors.

**Related parties and co-operation with other organisations**

Helen White is director of a marketing organisation to which Pure Innovations pays a small annual subscription, none of our trustees receive remuneration or other benefit from their work with the charity. Nina Hinton is a director of Open Awards to which Pure Innovations pays a small amount for Education accreditations.

We have several partnership links outside of the contractual relationships identified above, these partnerships links are with a wide variety of organisations who we work in collaboration with.

**Risk management**

A risk register has been prepared using Charity Commission guidance on the subject. These have been approved by the Board of Trustees and amended (where appropriate) to changes in the organisation and also in external factors. The risks are identified along with the potential impact and the steps to mitigate risk. Each risk is then scored by using the formula (a+b+b) where a = Likelihood and b= Potential impact, and those with a deemed high score are subject to review and action to monitor the major risks.

**Trustees' responsibilities in relation to the financial statements**
The charity trustees (who are also directors for the purpose of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees 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 assume that the company will continue in business.

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

The trustees 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 in governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**
Mitchell Charlesworth were appointed as auditor at the last AGM and in accordance with Section 485 of the Companies Act 2006, a resolution proposing their re-appointment will be put forward to the next General Meeting.

**Statement as to disclosure to our auditors**
In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors is unaware; and

- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the trustees

xxxxxxx N Hinton
Trustee
Date 01/12/2023

# PURE INNOVATIONS LIMITED

## Independent Auditor's Report to the Members of Pure Innovations Limited
## Year ended 31 March 2023

### Opinion

We have audited the financial statements of Pure Innovations Limited for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet and Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of the charity's incoming resources and application of resources 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 trustees' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report.
- sufficient accounting records have not been kept.
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2022 and report in accordance with regulations made under section 154 of that Act.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with the laws and regulations, we considered the following:

**Audit response to risks identified**

- the nature of the sector, control environment and business performance.
- results of our enquiries of management about their own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to the identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of noncompliance. Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud and the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to the correct treatment of grant income, including the correct use of restricted funds and any grant income due to be repaid to funders as a result of financial or performance-based conditions imposed, not being achieved. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override and we identified risk in relation to the posting of unusual journals and the manipulation of accounting estimates.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Safeguarding, 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), the Financial Reporting Standard applicable in the UK (FRS 102), and the Companies Act 2006.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

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

**Audit response to risks identified**

As a result of performing the above, we identified the recognition of revenue as the key audit matter related to the potential risk of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements.
- enquiring of management and members of the board concerning actual and potential litigation and claims.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

**Alison Buckley (Senior Statutory Auditor)**
**For and on behalf of Mitchell Charlesworth (Audit) Limited** 01/12/2023

**Statutory Auditor**

3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth (Audit) Limited is eligible to act an auditor in terms of section 1212 of the Companies Act 2006.

# PURE INNOVATIONS LIMITED

## Statement of Financial Activities (incorporating income and expenditure account)
## Current Year - Year ended 31 March 2023

| | Notes | Unrestricted Funds | Restricted Funds | Pension | Total Funds 2023 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income** | | | | | |
| Donations and legacies | 5 | 13,008 | - | - | 13,008 |
| Job retention scheme grant | | - | - | - | - |
| Other trading income | 6 | 2,778 | - | - | 2,778 |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 7 | 7,427,390 | 573,330 | - | 8,000,720 |
| Investment Income | 8 | 11,619 | - | - | 11,619 |
| **Total income** | | 7,454,795 | 573,330 | - | 8,028,125 |
| **Expenditure** | | | | | |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 9 | 7,313,184 | 524,392 | 203,000 | 8,040,576 |
| **Total expenditure** | | 7,313,184 | 524,392 | 203,000 | 8,040,576 |
| **Net incoming/(outgoing) resources before other recognised gains and losses** | | 141,611 | 48,938 | (203,000) | (12,451) |
| Actuarial profit on defined benefit pension scheme | | - | - | 6,427,000 | 6,427,000 |
| **Net movement in funds** | | 141,611 | 48,938 | 6,224,000 | 6,414,549 |
| **Net transfer between funds** | | - | - | - | - |
| Total funds brought forward | | 2,992,883 | 226,916 | (2,559,000) | 660,799 |
| **Total funds carried forward** | | 3,134,494 | 275,854 | 3,665,000 | 7,075,348 |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Statement of Financial Activities (incorporating income and expenditure account)
## Prior Year - Year ended 31 March 2022

| | Notes | Unrestricted Funds | Restricted Funds | Pension | Total Funds 2022 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income** | | | | | |
| Donations and legacies | 5 | 15,212 | - | - | 15,212 |
| Job retention scheme grant | | 73,350 | - | - | 73,350 |
| Other trading income | 6 | 215 | - | - | 215 |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 7 | 6,751,998 | 312,523 | - | 7,064,521 |
| Investment Income | 8 | 1,722 | - | - | 1,722 |
| **Total income** | | 6,842,497 | 312,523 | - | 7,155,020 |
| **Expenditure** | | | | | |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 9 | 6,816,838 | 338,447 | 310,000 | 7,465,285 |
| **Total expenditure** | | 6,816,838 | 338,447 | 310,000 | 7,465,285 |
| **Net incoming/(outgoing) resources before other recognised gains and losses** | | 25,659 | (25,924) | (310,000) | (310,265) |
| Actuarial losses on defined benefit pension scheme | | - | - | 2,921,000 | 2,921,000 |
| **Net movement in funds** | | 25,659 | (25,924) | 2,611,000 | 2,610,735 |
| **Net transfer between funds** | | (13,539) | 13,539 | - | - |
| Total funds brought forward | | 2,980,763 | 239,301 | (5,170,000) | (1,949,936) |
| **Total funds carried forward** | | 2,992,883 | 226,916 | (2,559,000) | 660,799 |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Balance Sheet
## Year ended 31 March 2023

| | Notes | £ | 2023 £ | £ | 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 15 | | **503,401** | | 486,813 |
| Investments | 16 | | **392,031** | | - |
| | | | **895,432** | | 486,813 |
| **Current assets** | | | | | |
| Stocks | 17 | **53,633** | | 39,300 | |
| Debtors | 18 | **1,240,561** | | 1,180,158 | |
| Cash at bank and in hand | | **1,794,428** | | 2,156,225 | |
| | | **3,088,622** | | 3,375,683 | |
| Creditors: amounts falling due within one year | 19 | **(573,706)** | | (642,697) | |
| **Net current assets** | | | **2,514,916** | | 2,732,986 |
| **Total assets less current liabilities** | | | **3,410,348** | | 3,219,799 |
| Defined benefit pension scheme asset/(liability) | 21 | | **3,665,000** | | (2,559,000) |
| **Total net assets** | | | **7,075,348** | | 660,799 |
| **Funds** | | | | | |
| Unrestricted funds: | | | | | |
| General | 22 | | **3,134,494** | | 2,992,883 |
| Pension fund reserve | 22 | | **3,665,000** | | (2,559,000) |
| **Total funds** | | | **6,799,494** | | 433,883 |
| Restricted funds | 23 | | **275,854** | | 226,916 |
| | | | **7,075,348** | | 660,799 |

**These financial statements were approved by the members of the committee on** 01/12/2023 **and are signed on their behalf by:**

**N Hinton**
**Trustee**

**Company Registration No. 5241249 (England and Wales)**

# PURE INNOVATIONS LIMITED

## Consolidated Statement of Cash Flows
## Year ended 31 March 2023

| | Notes | £ | 2023 £ | £ | 2022 £ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash generated in operating activities | 25 | | **261,692** | | 217,030 |
| **Cash used in investing activities** | | | | | |
| Purchase of tangible fixed assets | | **(272,743)** | | (315,910) | |
| Disposal proceeds of tangible fixed assets | | **37,635** | | - | |
| Purchase of Investments | | **(400,000)** | | - | |
| Interest income | | **11,619** | | 1,722 | |
| **Net cash used in investing activities** | | | **(623,489)** | | (314,188) |
| **Net increase in cash and cash equivalents** | | | **(361,797)** | | (97,158) |
| Cash and cash equivalents at beginning of year | | | **2,156,225** | | 2,253,383 |
| **Cash and cash equivalents at end of year** | | | **1,794,428** | | 2,156,225 |

## 1. Company information

Pure Innovations Limited is a private company limited by guarantee and incorporated in England and Wales. The registered office is Unit 5, Station View, Hazel Grove, Stockport, SK7 5ER.

## 2. 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 the charity's governing document, the Companies Act 2006 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

### Going concern

The Trustees have assessed whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

Having regard to these matters the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

### Income

Income is the amount derived from the provision of goods/services and stated after trade discounts, other sales taxes, and VAT where applicable.

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the grant are not yet met.

Investment income is recognised on a receivable basis.

## 2. Accounting Policies (continued)

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the delivery of its activities and services provided for its beneficiaries and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis as detailed in the accounts.
- Other expenditure represents those items not falling into any other heading.

### Funds structure

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 26 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

### Volunteers

The value of services provided by volunteers is not included in the financial statements.

### Donated goods, services, and facilities

On any occasion where goods and services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. Any goods given to the charity and held for stock are only recognised in the year that the goods are distributed or used.

### Tangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---|---|---|
| IT equipment | - | 33% of cost |
| Catering equipment | - | 25% of cost |
| Fixtures and fittings | - | 25/33% of cost |
| Leasehold improvements | - | 10% of cost |
| Motor vehicles | - | 25% of cost |

2. **Accounting Policies (continued)**

**Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**Stocks**

Stock is included at the lower of cost or net realisable value.

**Pensions**

The company operates two pension schemes for employees.

Employees of Pure Innovations Limited have been eligible to join the Greater Manchester Pension Fund, which is a defined benefit scheme. It is funded by contributions from employees and the Company as an employer. The assets of the scheme are held separately in a fund administered for the benefit of Local Authority employees and those other scheduled bodies.

Following auto enrolment, the charity also operates a defined contribution pension scheme operated by NEST. The assets of the scheme are held separately from those of the charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors and provisions**

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

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

## 3. Legal status of the Charity

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 6 (2022: 8).

## 4. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 5. Donations and legacies

| | **Unrestricted Funds £** | **Restricted Funds £** | **Total Funds 2023 £** | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2022 £ |
|---|---|---|---|---|---|---|
| Appeals and donations | **13,008** | - | **13,008** | 15,212 | - | 15,212 |

## 6. Other trading income

| | **Unrestricted Funds £** | **Restricted Funds £** | **Total Funds 2023 £** | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2022 £ |
|---|---|---|---|---|---|---|
| Commercial trading operations: | | | | | | |
| Other services | **2,778** | - | **2,778** | 215 | - | 215 |
| | **2,778** | - | **2,778** | 215 | - | 215 |

## 7. Income from charitable activities

| | **Unrestricted Funds £** | **Restricted Funds £** | **Total Funds 2023 £** | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2022 £ |
|---|---|---|---|---|---|---|
| Care services | **3,260,731** | **573,330** | **3,834,061** | 2,952,003 | 312,523 | 3,264,526 |
| Supported employment | **2,747,820** | - | **2,747,820** | 2,474,588 | - | 2,474,588 |
| Catering | **977,284** | - | **977,284** | 898,515 | - | 898,515 |
| Other activities | **441,555** | - | **441,555** | 426,892 | - | 426,892 |
| | **7,427,390** | **573,330** | **8,000,720** | 6,751,998 | 312,523 | 7,064,521 |

| 8. Investment income | Unrestricted Funds £ | Total Funds 2023 £ | Unrestricted Funds £ | Total Funds 2022 £ |
|---|---|---|---|---|
| Bank interest received | **11,619** | **11,619** | 1,722 | 1,722 |

The investment income arises from interest bearing deposit accounts.

**9. Analysis of expenditure on charitable activities - current year**

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Insight 1628 £ | Total 2023 £ |
|---|---|---|---|---|---|---|
| Payroll, and wage costs | **1,651,017** | **2,161,835** | **639,117** | **271,352** | **-** | **4,723,321** |
| Pension service cost | **85,763** | **77,916** | **27,711** | **11,610** | **-** | **203,000** |
| Cost of sales and kitchen equipment | **4,120** | **-** | **457,878** | **-** | **-** | **461,998** |
| Premises costs | **203,735** | **30,568** | **119,719** | **4,164** | **-** | **358,186** |
| General administration | **51,004** | **18,771** | **8,329** | **1,692** | **-** | **79,796** |
| Travel and subsistence | **65,800** | **48,354** | **1,533** | **3,114** | **-** | **118,801** |
| Equipment | **8,383** | **2,955** | **13,360** | **572** | **-** | **25,270** |
| Depreciation | **-** | **2,552** | **-** | **-** | **-** | **2,552** |
| Pure Insight costs | **-** | **-** | **-** | **-** | **735,418** | **735,418** |
| Professional including IT | **592** | **13,831** | **17,407** | **3,604** | **-** | **35,434** |
| Support costs (note 10) | **540,032** | **490,619** | **174,492** | **73,106** | **-** | **1,278,249** |
| Governance | **7,837** | **7,120** | **2,532** | **1,062** | **-** | **18,551** |
| | **2,618,283** | **2,854,521** | **1,462,078** | **370,276** | **735,418** | **8,040,576** |

Expenditure on charitable activities was £8,040,576 (2022: £7,465,285) of which £7,313,184 (2022: £7,126,838) was unrestricted and £524,392 (2022: £338,447) was restricted

## 9. Analysis of expenditure on charitable activities - prior year

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Insight 1628 £ | Total 2022 £ |
|---|---|---|---|---|---|---|
| Payroll, and wage costs | 1,530,746 | 2,008,862 | 601,863 | 170,698 | - | 4,312,169 |
| Pension service cost | 139,377 | 117,191 | 39,734 | 13,698 | - | 310,000 |
| Cost of sales and kitchen equipment | 5,104 | - | 375,601 | - | - | 380,705 |
| Premises costs | 213,037 | 5,139 | 138,939 | 2,359 | - | 359,474 |
| General administration | 53,620 | 12,931 | 8,865 | 451 | - | 75,867 |
| Travel and subsistence | 52,791 | 33,155 | 1,755 | 398 | - | 88,099 |
| Equipment | 14,251 | 20 | 15,579 | - | - | 29,850 |
| Depreciation | - | - | - | - | - | |
| Pure Insight costs | - | - | - | - | 587,949 | 587,949 |
| Professional including IT | 384 | 343 | 16,049 | 8,933 | - | 25,709 |
| Marketing | - | 285 | - | - | - | 285 |
| Support costs (note 12) | 557,478 | 489,868 | 177,752 | 54,488 | - | 1,279,586 |
| Governance | 6,793 | 5,969 | 2,166 | 664 | - | 15,592 |
| | 2,573,581 | 2,673,763 | 1,378,303 | 251,689 | 587,949 | 7,465,285 |

## 10. Analysis of support costs - current year

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these along with the remaining support costs, are attributed to the key charitable activities. These are allocated on a basis consistent with the income derived from the individual activities. Allocation between individual activities under any other basis is considered impracticable.

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Total 2023 £ |
|---|---|---|---|---|---|
| *Central support costs:* | | | | | |
| Payroll, and wages costs | 254,759 | 231,449 | 82,317 | 34,488 | 603,013 |
| Cost of sales and kitchen equipment | (25) | (23) | (8) | (4) | (60) |
| Premises costs | 51,404 | 46,700 | 16,609 | 6,959 | 121,672 |
| General administration | 31,522 | 28,638 | 10,185 | 4,267 | 74,612 |
| Travel and subsistence | 5,999 | 5,450 | 1,938 | 812 | 14,199 |
| Equipment | 5,582 | 5,071 | 1,804 | 756 | 13,213 |
| Depreciation | 98,728 | 89,694 | 31,900 | 13,365 | 233,687 |
| Professional including IT | 65,117 | 59,159 | 21,040 | 8,815 | 154,131 |
| Marketing | - | - | - | - | - |
| Irrecoverable VAT | 22,970 | 20,869 | 7,422 | 3,110 | 54,371 |
| Re-organisation costs | 3,976 | 3,612 | 1,285 | 538 | 9,411 |
| | 540,032 | 490,619 | 174,492 | 73,106 | 1,278,249 |
| Governance costs: | | | | | |
| Audit | 7,837 | 7,120 | 2,532 | 1,062 | 18,551 |
| | 547,869 | 497,739 | 177,024 | 74,168 | 1,296,800 |

**Analysis of support costs - prior year**

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Total 2022 £ |
|---|---|---|---|---|---|
| *Central support costs:* | | | | | |
| Payroll, and wages costs | 283,759 | 249,344 | 90,477 | 27,736 | 651,316 |
| Cost of sales and kitchen equipment | 329 | 289 | 105 | 32 | 755 |
| Premises costs | 3,428 | 3,012 | 1,093 | 335 | 7,868 |
| General administration | 49,285 | 43,308 | 15,715 | 4,817 | 113,125 |
| Travel and subsistence | 3,824 | 3,360 | 1,219 | 373 | 8,776 |
| Equipment | 4,111 | 3,613 | 1,310 | 402 | 9,436 |
| Depreciation | 86,891 | 76,353 | 27,705 | 8,493 | 199,442 |
| Professional including IT | 62,445 | 54,872 | 19,911 | 6,104 | 143,332 |
| Marketing | 37,519 | 32,969 | 11,963 | 3,667 | 86,118 |
| Irrecoverable VAT | 17,228 | 15,139 | 5,493 | 1,683 | 39,543 |
| Re-organisation costs | 8,659 | 7,609 | 2,761 | 846 | 19,875 |
| | 557,478 | 489,868 | 177,752 | 54,488 | 1,279,586 |
| Governance costs: | | | | | |
| Audit | 6,793 | 5,969 | 2,166 | 664 | 15,592 |
| | 564,271 | 495,837 | 179,918 | 55,152 | 1,295,178 |

**11. Net income/(expenditure) for the year**

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | **242,018** | 199,442 |
| Auditor's fees - for audit services | **13,925** | 12,800 |
| - for financial statements | **2,250** | 2,100 |

**12. Analysis of staff costs, trustees' remuneration and the cost of key management personnel**

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Wages, salaries, and other staffing costs | **4,787,932** | 4,486,782 |
| Social security costs | **351,810** | 326,056 |
| Pension costs (including service cost) | **389,592** | 204,872 |
| | **5,529,334** | 5,017,710 |

Pension funding within the Statement of Financial Activities includes £203,000 (2022: £310,000) in relation to the current service cost as included in the pension scheme note.

One employee (2022: one) had emoluments in excess of £60,000 (2022: £60,000). These employees fell into the following pay bands:

| | 2023 | 2022 |
|---|---|---|
| | No | No |
| £60,000 - £69,999 | **1** | 1 |
| | **1** | 1 |

The key management personnel of the charity comprise the trustees and the Executive Management Team. The total company employee benefits of the key management personnel of the Trust were £248,307 (2022: £279,230).

A strong team of volunteers that support our operations have given their time in the period, no value has been attributed to volunteer time.

**13. Staff numbers**

The average monthly number of full time employed by the charity during the year was:

| 2023 | 2022 |
|---|---|
| No | No |
| **225** | 228 |

## 14. Corporation tax

As a charity, the company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent they are applied to its charitable objectives. No corporation tax charge for the period was incurred by any of the trading subsidiaries and on this basis no provision has been made for corporation tax.

## 15. Tangible fixed assets

| | IT Systems | Catering Equipment | Fixtures and Fittings | Leasehold Improvements | Motor Vehicles | Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Cost** | | | | | | |
| At 1st April 2022 | 235,831 | 269,126 | 58,033 | 127,012 | 266,612 | 956,614 |
| Additions | 105,156 | 7,944 | 11,426 | 62,157 | 86,060 | 272,743 |
| Disposals | (21,809) | (8,655) | (7,658) | - | (46,150) | (84,272) |
| **At 31 March 2023** | **319,178** | **268,415** | **61,801** | **189,169** | **306,522** | **1,145,085** |
| **Depreciation** | | | | | | |
| At 1st April 2022 | 115,397 | 160,740 | 36,894 | 23,930 | 132,840 | 469,801 |
| Charge for the year | 76,798 | 50,609 | 14,495 | 30,093 | 70,023 | 242,018 |
| Eliminated on disposal | (21,809) | (8,655) | (7,658) | - | (32,013) | (70,135) |
| **At 31st March 2023** | **170,386** | **202,694** | **43,731** | **54,023** | **170,850** | **641,684** |
| **Net book value** | | | | | | |
| **At 31st March 2023** | **148,792** | **65,721** | **18,070** | **135,146** | **135,672** | **503,401** |
| At 31st March 2022 | 120,434 | 108,386 | 21,139 | 103,082 | 133,772 | 486,813 |

## 16. Investments

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Market value at 1 April 2022 | - | - |
| Additions at cost | **400,000** | - |
| Net (loss) on revaluation | **(7,969)** | - |
| Market value at 31 March 2023 | **392,031** | - |

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report

## 17. Stock

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Goods for resale | **53,633** | 39,300 |
| | **53,633** | 39,300 |

## 18. Debtors

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Trade debtors | **613,323** | 526,342 |
| Other debtors and prepayments | **627,238** | 653,816 |
| | **1,240,561** | 1,180,158 |

## 19. Creditors: amounts falling due within one year

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Trade creditors | **114,094** | 108,177 |
| Other taxes and social security | **102,885** | 167,485 |
| Other creditors and accruals | **356,727** | 367,035 |
| | **573,706** | 642,697 |

## 20. Commitments under operating leases

The company leases its main business premises, several café premises and other equipment under formal operating leases. The lease agreements terminate between 2021 and 2026. At 31 March 2023 the company had annual commitments under non-cancellable operating leases as set out below.

| | 2023 | 2022 |
|---|---|---|
| **Land & buildings** | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | **222,114** | 168,798 |
| Within 2 to 5 years | **416,383** | 381,133 |
| | **638,497** | 549,931 |

## 21. Retirement benefit schemes

**Defined contribution scheme - NEST**

In recent years new employees of the group are only able to join the National Employment Savings Trust (NEST) pension scheme, under current legislation employees not in GMPF are automatically enrolled into NEST unless they have exercised their right to opt out of scheme membership; This is a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The employee and employer contributions are 3% for employees and 5% for employers in 2023. Employers contributions of £98,000 (2022: £124,000) have been paid to this scheme during the period.

## 21. Retirement benefit schemes (continued)

### Defined benefit schemes - GMPF

The company operates a defined benefit scheme for employees. The scheme is an admitted body to the Greater Manchester Pension Fund. The GMPF scheme is a local government pension scheme and is administered by Tameside Metropolitan Borough in accordance with the Local Government Pension Scheme regulations. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the statement of financial activities so as to spread the costs of pensions over the service lives of the employees. Variations from the regular costs are spread over the average expected remaining working lives of current members of the scheme.

Members of the scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution Scheme, each of which is funded by the employee alone.

Members of the GMPF accrue an indexed linked pension of 1/80$^{th}$ of the best of the last 3 years pensionable service for each year of service. Additional benefits include a lump sum on retirement, continued (reduced) pensions for a spouse on death of a member and benefits for dependents on death or permanent incapacity. service.

The latest formal valuation of the scheme for the purposes of setting employers' actual contributions was on 31 March 2023.

Contributions to the scheme have been made during 2023 at rates that have been recommended by GMPF actuarial advisors. These are:

Employee - Banded rate based on pensionable earnings between 5.5% and 8.5%

Employers – 19.8% of pensionable earnings

When the company joined GMPF on 1 July 2005 there was a transfer of employees from Stockport MBC. The transfer of pension arrangements was on a fully funded basis i.e. there was no transfer of deficit in the Fund attributable to the transferring employees (on the ongoing valuation basis) from Stockport MBC. It should be noted that the year-end valuation calculated under FRS17, showed a variation from the initial valuation which was made using a differing accounting convention.

The valuation in these financial statements assumes a notional re-allocation of assets in the Fund from Stockport MBC to Pure Innovations Limited on this basis.

**Financial Assumptions**

| The key financial assumptions used are: | **2023 % pa** | 2022 % pa |
|---|---|---|
| Inflation/pension increases | **2.95%** | 3.15% |
| Salary Increases | **3.75%** | 3.90% |
| Discount rate | **4.75%** | 2.75% |

| **Mortality Assumptions** | **2023 Years** | | 2022 Years | |
|---|---|---|---|---|
| The period of pension drawdown: | **Current** | **Future** | Current | Future |
| Male | **20.4** | **21.3** | 20.3 | 21.6 |
| Female | **24.6** | **25.5** | 23.2 | 25.1 |

## 21. Retirement benefit schemes (continued)

### Key assumptions

*Life expectancy*
Life expectancy is based on the CMI 2021 model with a 0% weighting of 2021 (and 2020) data, standard smoothing (sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% pa.

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

*Discount rates*
In accordance with FRS 102 the discount rate used to place a value on the liabilities should be determined by reference to market yields on high quality corporate bonds at the reporting date. In addition, the currency and term of the high-quality corporate bonds used to set the discount rate should be consistent with the currency and term of the obligations.

Government bond yield curves are updated and available on a daily basis from the Bank of England. It is therefore relatively easy to identify a spot yield on Government bonds at any duration and at any date. Unfortunately, a similarly accessible corporate bond yield curve is not so readily available.

The discount rate should reflect the 'term' of the benefit obligation. 'Term' has been interpreted as the weighted average duration of the benefit obligation. This is broadly defined as 'the weighted average time until payment of all expected future discounted cashflows, determined based on memberships and the financial and demographic assumptions at a particular time' The shorter the duration, the more 'mature' the employer.

*Retail Prices Inflation*
This assumption is typically derived from yields available on fixed interest and index linked Government bonds and should be consistent with the derivation of the discount rate.

*Pension increases*
The pension increase assumption is set in line with the Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist. Therefore, it is necessary to estimate the long-term gap between RPI and CPI in order to derive a CPI assumption for accounting purposes.

*Salary growth*
The assumption is generally consistent with the most recent actuarial valuation. An additional allowance for promotional salary increases is also made.

**21. Retirement benefit schemes (continued)**

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| *Fair value of plan assets at the reporting period end* | | |
| Equity instruments | **11,524,000** | 10,740,100 |
| Debt instruments | **2,305,000** | 2,404,500 |
| Property | **1,316,000** | 1,282,400 |
| Cash | **1,316,000** | 1,603,000 |
| | **16,461,000** | 16,030,000 |

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| *The defined benefit obligations arise from plans funded as follows:* | | |
| Wholly unfunded obligations | **-** | - |
| Wholly or partly funded obligations | **12,796,000** | 18,589,000 |
| | **12,796,000** | 18,589,000 |

**22. Unrestricted Funds - current year**

| | Balance at 1 April 2022 £ | Incoming resources £ | Resources expended £ | Actuarial Gains £ | Transfers £ | Balance at 31 March 2023 £ |
|---|---|---|---|---|---|---|
| **General fund** | 2,992,883 | **7,454,795** | **(7,313,184)** | - | **-** | **3,134,494** |
| Pension fund reserve | (2,559,000) | **-** | **(203,000)** | **6,427,000** | **-** | **3,665,000** |
| **Total general funds** | 433,883 | **7,454,795** | **(7,516,184)** | **6,427,000** | **-** | **6,799,494** |

**Unrestricted Funds - prior year**

| | Balance at 1 April 2021 £ | Incoming resources £ | Resources expended £ | Actuarial Gains/ (losses) £ | Transfers £ | Balance at 31 March 2022 £ |
|---|---|---|---|---|---|---|
| **General fund** | 2,980,763 | 6,842,497 | (6,816,838) | - | (13,539) | 2,992,883 |
| Pension fund reserve | (5,170,000) | - | (310,000) | 2,921,000 | - | (2,559,000) |
| **Total general funds** | (2,189,237) | 6,842,497 | (7,126,838) | 2,921,000 | (13,559) | 433,883 |

**23 Restricted funds - current year**

| | Balance at 1 April 2022 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2023 £ |
|---|---|---|---|---|---|
| Christmas Activities | 12,850 | 14,160 | (20,086) | - | 6,924 |
| Steve Morgan Foundation | - | 16,500 | (16,500) | - | - |
| St James Place | - | 10,000 | (833) | - | 9,167 |
| Williams Foundation | 336 | - | (336) | - | - |
| Salford MBC | - | 53,325 | - | - | 53,325 |
| The Henry Smith Charity | 14,387 | 60,000 | (49,387) | - | 25,000 |
| Stockport Local Fund | - | 24,060 | (23,879) | - | 181 |
| National Lottery | 103,314 | 36,000 | (84,505) | - | 54,809 |
| Spark Foundation | 68 | - | (68) | - | - |
| Stockport MBC | - | 95,895 | (87,106) | - | 8,789 |
| Warrington | 5,210 | 30,000 | (33,220) | - | 1,990 |
| Cheshire Community Foundation Warrington | - | 27,945 | - | - | 27,945 |
| Cheshire Community Foundation Cheshire East | 15,166 | 2,500 | (17,666) | - | - |
| The Rayne Foundation | 8,333 | 25,000 | (25,000) | - | 8,333 |
| Awards for All | 5,833 | - | (5,833) | - | - |
| Paul Hamlyn Foundation | 17,500 | 10,500 | (25,000) | - | 3,000 |
| The Welland Trust | 38,919 | 34,001 | (37,504) | - | 35,416 |
| Schroder | 5,000 | - | (5,000) | - | - |
| Cheshire East | - | 104,623 | (71,317) | - | 33,306 |
| Coop Community Funding | - | 3,821 | (318) | - | 3,503 |
| Edward Gosling | - | 25,000 | (20,834) | - | 4,166 |
| **Total unrestricted funds** | **226,916** | **573,330** | **(524,392)** | **-** | **275,854** |

**Analysis of restricted funds - current year**

**Awards for All**

This fund has been used to support the organisation achieve its objectives by providing funding to purchase a van.

**National Lottery, RC North West Region**

Funding carried over to match fund our delivery in Salford.

Additional funding secured to scale our successful wrap around offer into Warrington ad match fund the local authority's contribution.

**Christmas Activities**

This is money raised to deliver activities over the Christmas period for care leavers who would otherwise be alone. Any funds remaining can be used for other activities throughout the year as per our Just Giving statement.

**Steve Morgan Foundation**

Supporting our delivery of services to care leavers in Crewe.

**St James Place**

This funding is to support our counselling provision.

| | |
|---|---|
| **Cheshire Freemasons** | This funding is to support our Cheshire East based provision. |



**23. Restricted funds - current year (continued)**

| | |
|---|---|
| **Co – op foundation** | Funding to support the training of new volunteer mentors. |
| **Cheshire Community Foundation** | This has helped us to provide additional activities within our Cheshire East and Warrington areas, such as the operation of a café, and psychological wellbeing service and counselling. |
| **Paul Hamlyn Foundation** | This fund has helped us to support young people across a wide geographical area, by providing core funding which has been used in a variety of ways |
| **The Rayne Foundation** | This has provided match funding for our psychological wellbeing service in Cheshire East |
| **Alex Timpson Foundation** | unding to support training new volunteer mentos and to support our ctivities with young parents. |
| | This is providing a service to Care Leavers in the Trafford area enabling them |
| **The Henry Smith Charity** | This fund is being used to fund a Psychological Wellbeing Worker to provide counselling, emotional support and life skills training to young people aged between 16-28, who are leaving car. |
| **The Lloyds Foundation** | Core funding to support our delivery across all areas |
| **The Welland Trust** | This specifically has allowed us to recruit an additional post, being an employment officer who works across two areas. |
| **Edward Gosling Foundation** | Supporting our provision in Trafford and counselling services |
| **Julia & Hans Rausing Trust** | Funding to support our core activities primarily focussed in Cheshire East. |
| **Segelman Trust** | Core funding to support the delivery of our services across all areas |
| **The Swire Trust** | Core funding to support the delivery of our services across all areas |
| **The Welland Trust** | This specifically has allowed us to recruit an additional post, being an employment officer who works across two areas. |

**23. Restricted funds - prior year**

| | Balance at 1 April 2021 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2022 £ |
|---|---|---|---|---|---|
| Christmas Dinner | 8,357 | 10,666 | (6,133) | - | 12,850 |
| Steve Morgan Foundation | - | 20,167 | (33,646) | 13,479 | - |
| Healthy Young Minds | 15,964 | - | (15,964) | - | - |
| Williams Foundation | 1,585 | 54 | (1,303) | - | 336 |
| Care Conference | 8,288 | - | (8,288) | - | - |
| Trafford Housing Trust | 7,287 | - | (7,287) | - | - |
| The Henry Smith Charity | 14,415 | 39,100 | (39,128) | - | 14,387 |
| COVID-19 Relief | 26,611 | - | (26,671) | 60 | - |
| National Lottery | 133,475 | 102,536 | (132,697) | - | 103,314 |
| Spark Foundation | 100 | 825 | (857) | - | 68 |
| Warrington | 18,219 | 10,000 | (23,009) | - | 5,210 |
| Trafford Extension | 5,000 | - | (5,000) | - | - |
| Cheshire Community Foundation | - | 17,000 | (1,834) | - | 15,166 |
| Rayne Foundation | - | 25,000 | (16,667) | - | 8,333 |
| Awards for All | - | 10,000 | (4,167) | - | 5,833 |
| Paul Hamlyn Fund | - | 30,000 | (12,500) | - | 17,500 |
| Wellan Trust | - | 42,175 | (3,256) | - | 38,919 |
| Schroder | - | 5,000 | - | - | 5,000 |
| **Total restricted funds** | 239,301 | 312,623 | (338,447) | 13,539 | 226,916 |

**24. Analysis of assets between funds - current year**

| | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | **503,401** | **-** | **-** | **503,401** |
| Cash at bank and in hand | **1,794,428** | **-** | **-** | **1,794,428** |
| Other net current assets | **836,665** | **-** | **275,854** | **1,112,519** |
| Defined benefit pension asset | **-** | **3,665,000** | **-** | **3,665,000** |
| | **3,134,494** | **3,665,000** | **275,854** | **7,075,348** |

**Analysis of assets between funds - prior year**

| | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | 486,813 | - | - | 486,813 |
| Cash at bank and in hand | 2,156,225 | - | - | 2,156,225 |
| Other net current assets | 349,845 | - | 226,916 | 576,761 |
| Defined benefit pension liability | - | (2,559,000) | - | (2,559,000) |
| | 2,992,883 | (2,559,000) | 226,916 | 660,799 |

| 25. Cash used in operations | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Net movement in funds | **190,549** | (265) |
| *Adjustments for:* | | |
| Depreciation | **242,018** | 208,090 |
| Interest income | **(11,619)** | (1,722) |
| Loss on investments | **7,969** | - |
| (Profit)/Loss on disposal of assets | **(23,497)** | 1,417 |
| *Movements in working capital:* | | |
| (Increase)/decrease in stock | **(14,333)** | (18,075) |
| (Increase) in debtors | **(60,403)** | (194,469) |
| (Decrease) in creditors | **(68,992)** | 222,054 |
| **Net cash generated in operations** | **261,692** | 217,030 |

| 26. Net debt reconciliation - current year | 1 April 2022 | Cash flows | 31 March 2023 |
|---|---|---|---|
| **The Group** | £ | £ | £ |
| Cash | **2,156,225** | **(361,797)** | **1,794,428** |
| | **2,156,225** | **(361,797)** | **1,794,428** |

| Net debt reconciliation - prior year | 1 April 2021 | Cash flows | 31 March 2022 |
|---|---|---|---|
| **The Group** | £ | £ | £ |
| Cash | 2,253,383 | (97,158) | 2,156,225 |
| | 2,253,383 | (97,158) | 2,156,225 |

**PURE INNOVATIONS LIMITED**

England & Wales - Charity number 1111252

# Accounts

# PURE INNOVATIONS LIMITED

## A COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS

## For the year ended 31 March 2022

**Company Registration Number: 5241249**
**Charity Number: 1111252**

# PURE INNOVATIONS LIMITED

**Financial Statements**
**Year ended 31 March 2022**

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# PURE INNOVATIONS LIMITED

## Legal and Administrative Details

| | |
|---|---|
| **Company number** | 1111252 |
| **Charity number** | 5241249 |
| **Registered office** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Principal address** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Trustees** | Miss N Hinton<br>Mrs H White<br>Mrs L Powis<br>Ms J Walker<br>Mr P Greenhalgh (appointed 12 September 2022)<br>Mr C Hemingway (appointed 26 August 2022) |
| **Corporate Management Team** | Mr S Brierley - Director of Finance<br>Mr D Ferrier - Director of Operations<br>Mrs L Parrott-Bates - Chief Executive<br>Mr P Locke - Director of Infrastructure |
| **Bankers** | The Co-operative Bank plc<br>1 Balloon Street<br>Manchester<br>M4 4BE |
| **Auditors** | Mitchell Charlesworth (Audit) Limited<br>3rd floor, 44 Peter Street<br>Manchester<br>M2 5GP |

# PURE INNOVATIONS LIMITED

**Trustees' Report**
**Year ended 31 March 2022**

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ended 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with 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).

We are currently recruiting new trustees having identified skills gaps in finance, IT and HR following resignations of two trustees due to an inability to commit time to the role, the resignation of a trustee after the financial year end as a result of family health issues, and the resignation of the chair after a conflict of interest was identified.

**Purposes and Activities**
Pure Innovations aims to foster and promote for the benefit of the public, the advancement of education, the relief of poverty and sickness and for any other charitable purposes by all or any of the following means:

- The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment
- The advancement of education, training or re-training, particularly amongst unemployed people and providing unemployed people with work experience and among the providers of education, training and work experience to beneficiaries of the Charity
- The provision or assistance in the provision of care and recreational facilities in the interests of social welfare
- For those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities with the object of improving the beneficiaries' conditions of life

The overall aim is to promote independence, increase choice and provide more appropriate support to people to make the most of their capacity and potential.

Following the transfer of the undertaking from Stockport MBC Social Services Department on 1st July 2005, the following activities have been developed:

Care activities - provide support for clients right across the disability spectrum including learning disability, mental or physical / sensory disability, assisting them as individuals to develop skills, independence and wellbeing as much as possible.

This could be undertaken within our catering services offer. The six cafes (including one café which we took over in the past year) we run offer training opportunities in customer care, health and safety and food hygiene. We have transformed one of our cafes into a space producing bread and cake supplying both our own cafes but also small independent cafes in the area. All produce is made by our clients with a disability. This won the Charity Award Disability category at a prestigious event held at the Royal Lancaster Hotel in London in June 2022.

Other opportunities exist through the One Voice, which seeks to raise awareness throughout Stockport of the issues faced by people who are from the most disadvantaged areas by producing material for a community radio station. We also have various Arts and Animation offers in various locations and we are looking to develop and broaden these for the benefits of the client group. This has included developing a Ceramics, animation and gaming offer to our clients in Stockport.

Employment services – these seek to find employment for the long term unemployed and socially disadvantaged people who are not catered for, or who have been rejected by mainstream service providers. Working in partnership with large public sector and private sector employers to educate, encourage and support them to employ a diverse workforce including disabled people. An important part of this service is to seek ways of retaining employment for such people who may be at risk of losing their employment status. To support employers, we run disability awareness training to the workforce free of charge – allowing them to diversify their workforce and upskill their existing workforce.

We also deliver a variety of education and training courses, both accredited and non-accredited courses, including our travel training programme which operates in several boroughs in Greater Manchester. The approach in this area is to maximise the independence and skills ultimately increasing life chances in partnership with education providers to ensure employment outcomes are an aspiration for young people with special educational needs. We deliver 11 Supported Internship sites across Greater Manchester in conjunction with large corporate and public sector organisations to increase the number of people in employment.

Wellbeing and Independence – we have a direct contract with Stockport MBC to provide a contact point for any individual in the Borough who has a social need and, by use of sub-contractors or sometimes the provision of services, we provide to meet as many of those identified needs. This preventative work aims to delay or prevent the escalation of health and social care services, addressing the growing concern around loneliness and isolation experienced by so many in communities. We aim to improve individuals' wellbeing by reducing social isolation and connecting people to their communities with a sense of purpose and meaning. The Community Hub offers a safe space to allow people to connect meaningfully to their local communities to build a network of support and aid resilience and self-support.

The Mental Health Network contracted by Stockport MBC supports people with enduring mental health concerns to offer community integration and connectivity with areas of interest. The Network adopts a holistic approach to wellbeing and health including access to complex caseworkers thus providing a specialist counselling service. The team manage a number of support and peer groups and additional intensive therapy-based counselling sessions – all with the aim to allow people the resources, insight and networks of support to maintain a level of well-being - resulting in them being less reliant on clinical interventions and prevention of escalation into intensive and costly services and restricted provision.

Greater Manchester Combined Authority has contracted with us to deliver a Specialist Supported Employment Service covering five of the ten Greater Manchester Local Authority areas. The aim is to secure employment for people with a mental health or learning disability diagnosis.

We have like many businesses been impacted by COVID – over the past 2 years we have supported both our staff and clients to keep safe and well, whilst still needing to deliver essential front line care services. This has required us to work with agility, flexibility and respond to the ever-changing demands and requirements imposed by government changes. We kept a safe space of work for both clients and staff with ever updated risk assessments, guidelines of safe working and PPE for all staff.

Whilst the COVID times have been challenging, we have always maintained an open service whilst balancing the number of staff in isolation which has significantly impacted the workforce delivery. This goes along with many of our clients being asymptomatic and in the extremely critically vulnerable category.

**Public benefit**
The main activities are outlined in the section above. They are all undertaken to further the charity's purpose for the public benefit, with due regard to the Charity Commission's guidance on this subject, including the guidance "Public benefit: running a charity (PB2)."

**Achievements and Performance**

We provide a range of support services across Greater Manchester. The total number of people supported at the beginning of the year in these locations was over 500 people. Over the course of the year, we have secured paid work for 37 people; 28 young people have been trained to use public transport independently; 23 young people have gained accredited learning courses or training. We have supported 275 people in our care support to engage in meaningful activities and 150 people are better connected to their communities. Additional achievements are contained within the infographic below.

SOCIAL IMPACT REPORT- 12 MONTHS OF COVID SUPPORT

PURE INNOVATIONS
The key to a fulfilled life

The activities provided for the clients were in the areas of:

- Arts, Pottery and Drama
- Catering and Retail
- Greenspace
- Health and Wellbeing
- Pre-Employment and Placement
- Supported in-house session
- Supported Internship
- Travel Training
- Supported Employment
- Health and wellbeing
- Cookery and Baking
- Sport and Exercise
- Music and Dance
- Health and Beauty
- IT
- Woodwork

We survey our clients on a regular basis, and some of the recent outcomes are listed below.

In our provision of care, we gained feedback from 160 clients out of a potential cohort of 187

| | |
|---|---|
| Do you enjoy Pure | 94 % responded yes |
| Are staff kind and caring? | 94 % responded yes |
| Do staff listen to what projects you would like to do? | 88 % responded yes |
| Does coming to Pure make you feel very happy or OK? | 96 % responded yes |

In terms of employment services, our main programme was in respect of Supported Internships and there we had 109 people enrol leading to 46% of young people securing employment by the end of the programme.

| | |
|---|---|
| Do you feel that your employment goals were achieved? | 92% responded yes |
| Do you feel that you received good support from Pure? | 91% responded yes |
| Do you feel that you received good communication from Pure? | 92% responded yes |

We will be opening Pure College in September 2022. This will be a post 16 specialist provision for young people with an Education Health Care Plan offering a year-long course named "Ambition for Life" equipping young people with both life skills and employability skills. The provision will be for up to 12 students in the first year with the aim being a proportion of students will progress onto a Supported Internship in year two, with the aim of increasing student numbers over future years.

**Financial review**
We have managed to achieve another year of profitable trading. This has been achieved despite austerity measures in the public sector continuing to impact upon most income streams of the business and this still constitutes a major challenge for the foreseeable future, particularly as the financial consequences of the COVID pandemic work through in future years.

The main sources of income are in delivery of services funded by local authorities, colleges and through other government contracts. However, there is an increasing reliance upon clients in charge of their own budgets, opting to use that money to spend on our service delivery to them. We are seeking to provide a level of service which goes beyond just retaining those individuals but adding to their number.

The charity's surplus for the year (excluding pension service costs) was £27,756 this was adversely impacted by £10,000 of redundancy costs.

Outside of the underlying performance of the charity, the net movement in funds is also affected by actuarial movements between years on the pension fund. Actuarial adjustments reported by Hymans Roberts LLP, the Scheme Actuaries has resulted in a reduction in the deficit in the past year of £2.611 million, following a charge the previous year of £2.9 million. This has arisen due to various changes in long term actuarial assumptions. The impacts of these changes arising from the revision of the assumptions used by the Actuaries are outlined in more detail in note 24 to these accounts.

The risk register identifies the major risks as being around the loss of key staff and generally high staff turnover in the business, reductions in income for delivery of core services in response to public sector austerity cuts and the impact of COVID and failures of IT systems.

We raised salary levels for our main body of operational staff by a further 6.7% from 1st April 2021, in response to the identified risk and that has resulted in a better recruitment and retention of those types of employees. We are also investing in new IT systems that will add to our operational efficiency, although the risk of failure of those systems is a constant risk which we continue to monitor regularly.

**Salvere acquisition**
On 22nd December 2011, the charity acquired a 51% interest in the share capital of Salvere Social Enterprise CIC. Salvere provides a range of support planning, advisory and personal assistant services and re-ablement services to its clients. Funding from the start-up and technological development for this business was achieved with grants and loans from the Social Enterprise Fund. Additional funding had been advanced from Pure Innovations Limited to this business to assist with reorganisation and continuing development of its funding model, but the balance on the loan account has decreased over the course of the previous year, and the loan was wholly repaid prior to the sale of the company on 6th November 2020 to the other directors.

**Pure Insight 1628**
Pure Insight is a charity within the charity of Pure Innovations Limited. It is separately registered and commenced activities on 1st April 2014 to extend and continue to work with young people attaining adulthood in their transition to Independence from the Social Care System. For reasons of operational efficiency the Boards of Pure Innovations and Pure Insight have resolved to effect the separation of the two organisations and it is expected that this will be achieved ahead of the next financial year end.

**Reserves policy**
Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergencies. The Charity Commission consider that the minimum level of reserves should be equivalent to 3 months' expenditure. Based on the Business Plan for 2022-23 this indicates a level of reserves of around £1.7 million.

The total level of reserves at the end of March 2022 is £2.745 million. We envisage therefore that the level of reserves in the next financial year will continue to exceed that level of reserves which the Charity Commission consider as a minimum.

**Investment powers and policy**
The investment approach has been reviewed to ensure that the company's reserves are as secure as possible and that an element of those reserves have been invested post year end with an intention of earning a return which offsets the impact of inflation.

**Plans for future periods**
There has been investment in the business, principally in IT systems, and upgrading of properties we occupy, either by internal refurbishment or moving to more appropriate buildings. The intention is that this will ultimately improve our performance and profitability. Since the year end, we have also secured funding to be a direct provider of educational services

**Research and development activities of the charity**
We are always looking at identified areas of good practice across the UK to see if we can replicate these to enhance our offer and therefore improve the outcomes for disabled and disadvantaged people in our communities.

Recently we have been investing in becoming a more digitally aware organisation meeting the needs of younger people coming into our service. Our ambition is to become a paperless organisation as most of our work is remote in the community and access needs to be online.

Our work replicates part of the government's agenda of supporting as many people as possible into employment who are in receipt of benefits. We will pilot new initiatives to achieve this with people furthest away from the labour market.

**Structure, governance and management**

**Governing Document**
The organisation is a charitable company that is limited by guarantee. The company was incorporated on 24th September 2004 and registered as a charity on 12th September 2005. The Company was established under a Memorandum of Association which defines the objects and powers of the charitable company and is governed under its Articles of Association. After the end of the financial year a resolution was passed to amend the Articles Of Association and the board of trustees have approved amended internal governance rules.

**Recruitment and appointment of Trustees**
Members of the Board of Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles of Association are known as Trustees. Under the requirements of the Memorandum and Articles of Association one third of the trustees need to be elected at each AGM.

At the AGM held in 2021, Alan Allman was re-elected as chair of the board of trustees and remained in post until 3rd May 2022.

**Trustee induction and training**
We have developed a trustee induction pack, and training is undertaken with the trustees in accordance with the training plan identified following annual trustee appraisals.

**Reference and administrative details**
Reference and administrative details are shown in the legal and administrative details page of the financial statements.

**Organisation**
The directors of the charitable company (the Charity) are its trustees for the purpose of Charity law and directors for the purpose of Company law. The trustees who served the charity during the year were as follows:

**Key management personnel: Trustees' and Directors**

| | |
|---|---|
| Chair: | Mr A Allman (resigned 3rd May 2022) |
| Trustees: | Miss N Hinton |
| | Ms G Gordon (resigned 31st March 2022) |
| | Mrs H White |
| | Ms N Waterfield (resigned 31st March 2022) |
| | Mrs L Powis |
| | Ms J Walker |
| | Ms G Taylor (resigned 20th April 2022) |
| | Mr P Greenhalgh (appointed 12 September 2022) |
| | Mr C Hemingway (appointed 26 August 2022) |

**Key management personnel: Corporate Management Team**

| | |
|---|---|
| Director of Finance | Mr S Brierley |
| Director of Operations | Mr D Ferrier |
| Chief Executive | Mrs L Parrott-Bates |
| Director of Infrastructure | Mr P Locke |

The Board of Pure Innovations meets every few weeks and they are responsible for the strategic direction and policy of the charity. A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Chief Executive and other members of the Executive Management Team. The Chief Executive has overall responsibility for ensuring that the charity delivers the services specified through the day-to-day operational management of the company, and individual supervision of the other members of the Executive Management Team.

The Corporate Management Team has undergone a restructure following the retirement of the HR Director, and the position of Director of Infrastructure has been created to subsume HR, Compliance and Health and Safety responsibilities within one office.

Pure Innovations have undertaken a rebrand during the financial year to better reflect the activities of the charity in helping clients achieve their potential

**Employees and employment of disabled persons**
Pure Innovations recognises its role and responsibilities within the local community in identifying and removing those barriers which prevent disabled people from sharing equally in the rights, benefits, obligations and opportunities to undertake meaningful employment. Pure Innovations actively encourages the employment of colleagues with a disability and is recognised as a Disability Confident Employer by the DWP. We have a strong track record in attracting and retaining people with a disability at all levels of the charity. We regularly make reasonable adjustments for new and existing colleagues to provide holistic support to enable them to fully participate in the workplace and fulfil their potential. At Pure Innovations, 11.5% of the current workforce identifies as having some form of disability. We believe this to be a conservative figure as some employees chose not to declare their disability or do not regard themselves as such.

Pure recognises that as a specialist employer in the local community it has the opportunity to achieve a significant impact on opportunities for disabled people via the development of its employment policy and promotion of work-related positive action initiatives. These help to counteract longstanding disadvantages in gaining access to work and remaining in employment should a person become disabled during their working lives.

Pure Innovations is committed to the creative use of existing resources and the development of imaginative initiatives including job tasters, job trials and job carving. This is enhanced by regular staff briefings and newsletters, team meetings, supervisions and an appraisal system which identifies training and development needs. Within the Pure group there is an exchange of good practice, staff attend disability awareness training and successful developments are promoted on our website and in our social media. Our vacancies are advertised concurrently, internally and externally and staff are encouraged to apply for promotion when they feel ready to do so. We have a succession policy in place which identifies and supports those we see as the potential future leaders of the charity.

**Employee involvement**
Involving all employees is fundamental to how the Company operates, with open communication at all levels. The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect them.

Employee involvement is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the concern plays a major role in maintaining and growing its position.

In the initial phase of an employee's employment, they attend a corporate induction process, included within that is a session on the company's values which underpins the company's approach to staff, volunteers and service users. They are as follows:

Respectful ….. Always treat people the way you would wish to be treated no matter what the situation.
Responsive ….. By listening to others, we solve problems by finding solutions.
Aspirational …… Achieve the best possible outcomes by continually improving what we do.
Inclusive …… We are welcoming and involve all in what we do.

**Pay policy for senior staff**
The pay of the Executive Management Team has been determined by the Board of Directors.

**Related parties and co-operation with other organisations**
Save that our outgoing Trustee, Alan Allman received payment for services provided as an IT contractor and that Helen White is director of a marketing organisation to which Pure Innovations pays a small annual subscription, none of our trustees receive remuneration or other benefit from their work with the charity.

We have several partnership links outside of the contractual relationships identified above, these partnerships links are with a wide variety of organisations who we work in collaboration with.

**Risk management**
A risk register has been prepared using Charity Commission guidance on the subject. These have been approved by the Board of Trustees and amended (where appropriate) to changes in the organisation and also in external factors. The risks are identified along with the potential impact and the steps to mitigate risk. Each risk is then scored by multiplying the factors together, and those with a deemed high score are subject to review and action to monitor the major risks.

**Trustees' responsibilities in relation to the financial statements**
The charity trustees (who are also directors for the purpose of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees 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 assume that the company will continue in business

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

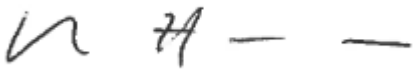
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom in governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**
A resolution proposing that Mitchell Charlesworth be re-appointed will be put at a General Meeting.

**Statement as to disclosure to our auditors**
In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors is unaware; and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the trustees



**N Hinton**
Trustee
Date 16/12/2022

## Independent Auditor's Report to the Members of Pure Innovations Limited
## Year ended 31 March 2022

### Opinion

We have audited the financial statements of Pure Innovations Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheet and Group Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022, and of the group's incoming resources and application of resources 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 trustees' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- sufficient accounting records have not been kept;
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and parent charity'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 trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with the laws and regulations, we considered the following:

**Audit response to risks identified**

- the nature of the sector, control environment and business performance.
- results of our enquiries of management about their own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to the identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of noncompliance. Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud and the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to the correct treatment of grant income, including the correct use of restricted funds and any grant income due to be repaid to funders as a result of financial or performance-based conditions imposed, not being achieved. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override and we identified risk in relation to the posting of unusual journals and the manipulation of accounting estimates.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Safeguarding, 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), the Financial Reporting Standard applicable in the UK (FRS 102), and the Companies Act 2006.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

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

**Audit response to risks identified**

As a result of performing the above, we identified the recognition of revenue as the key audit matter related to the potential risk of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

16/12/2022

**Alison Buckley (Senior Statutory Auditor)**
**For and on behalf of Mitchell Charlesworth (Audit) Limited**

**Statutory Auditor**

3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth (Audit) Limited is eligible to act an auditor in terms of section 1212 of the Companies Act 2006.

# PURE INNOVATIONS LIMITED

## Consolidated Statement of Financial Activities (incorporating income and expenditure account)
## Current Year - Year ended 31 March 2022

| | Notes | Unrestricted Funds | Restricted Funds | Pension | Total Funds 2022 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income** | | | | | |
| Donations and legacies | 6 | 15,212 | - | - | **15,212** |
| Job retention scheme grant | | 73,350 | - | - | **73,350** |
| Other trading income | 7 | 215 | - | - | **215** |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 8 | 6,751,998 | 312,523 | - | **7,064,521** |
| Investment Income | 9 | 1,722 | - | - | **1,722** |
| **Total income** | | 6,842,497 | 312,523 | - | **7,155,020** |
| **Expenditure** | | | | | |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 11 | 6,816,838 | 338,447 | 310,000 | **7,465,285** |
| **Total expenditure** | | 6,816,838 | 338,447 | 310,000 | **7,465,285** |
| **Net incoming/(outgoing) resources before other recognised gains and losses** | | **25,659** | **(25,924)** | **(310,000)** | **(310,265)** |
| Actuarial profit on defined benefit pension scheme | | | | 2,921,000 | **2,921,000** |
| **Net movement in funds** | | **25,659** | **(25,924)** | **2,611,000** | **2,610,735** |
| **Net transfer between funds** | | (13,539) | 13,539 | - | **-** |
| Total funds brought forward | | 2,980,763 | 239,301 | (5,170,000) | **(1,949,936)** |
| **Total funds carried forward** | | **2,992,883** | **226,916** | **(2,559,000)** | **660,799** |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Consolidated Statement of Financial Activities (incorporating income and expenditure account)
## Prior Year - Year ended 31 March 2021

| | Notes | Unrestricted Funds | Restricted Funds | Pension | Total Funds 2021 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income** | | | | | |
| Donations and legacies | 6 | 8,309 | - | - | **8,309** |
| Job retention scheme grant | | 798,165 | - | - | **798,165** |
| Discontinued operations | 7 | 326,000 | - | - | **326,000** |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 8 | 5,908,745 | 502,581 | - | **6,411,326** |
| Investment Income | 9 | 2,353 | - | - | **2,353** |
| Discontinued operations | 9 | 3,891 | - | - | **3,891** |
| **Total income** | | 7,047,463 | 502,581 | - | **7,550,044** |
| **Expenditure** | | | | | |
| *Expenditure on raising funds:* | | | | | |
| Discontinued operations | 10 | 306,047 | - | - | **306,047** |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 11 | 5,796,405 | 496,156 | 161,000 | **6,453,561** |
| **Total expenditure** | | 6,102,452 | 496,156 | 161,000 | **6,759,608** |
| **Net incoming/(outgoing) resources before other recognised gains and losses** | | 945,011 | 6,425 | (161,000) | **790,436** |
| Loss on disposal of investment | | (16,279) | - | - | **(16,279)** |
| Actuarial losses on defined benefit pension scheme | | - | - | (2,386,000) | **(2,386,000)** |
| **Net movement in funds** | | 928,732 | 6,425 | (2,547,000) | **(1,611,843)** |
| **Net transfer between funds** | | (250) | 250 | - | **-** |
| Minority Interests | | (11,952) | - | - | **(11,952)** |
| Total funds brought forward | | 2,064,233 | 232,626 | (2,623,000) | **(326,141)** |
| **Total funds carried forward** | | 2,980,763 | 239,301 | (5,170,000) | **(1,949,936)** |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Consolidated Balance Sheet
## Year ended 31 March 2022

| | Notes | 2022 The Group £ | 2022 The Charity £ | 2021 The Group £ | 2021 The Charity £ |
|---|---|---|---|---|---|
| **Fixed Assets** | | | | | |
| Tangible assets | 17 | **486,813** | **478,798** | 380,410 | 365,806 |
| | | **486,813** | **478,798** | 380,410 | 365,806 |
| **Current assets** | | | | | |
| Stock | 19 | **39,300** | **39,300** | 21,225 | 21,225 |
| Debtors | 20 | **1,180,158** | **1,179,085** | 985,689 | 984,939 |
| Cash at bank and in hand | | **2,156,225** | **1,593,316** | 2,253,383 | 1,750,629 |
| | | **3,375,683** | **2,811,701** | 3,260,297 | 2,756,793 |
| **Creditors: amounts falling due within one year** | 21 | **642,697** | **542,572** | 420,643 | 402,426 |
| **Net current assets** | | **2,732,986** | **2,269,129** | 2,839,654 | 2,354,367 |
| **Total assets less current liabilities** | | **3,219,799** | **2,747,927** | 3,220,064 | 2,720,173 |
| Defined benefit pension scheme liability | 23 | **(2,559,000)** | **(2,559,000)** | (5,170,000) | (5,170,000) |
| **Net Assets** | | **660,799** | **188,927** | (1,949,936) | (2,449,827) |
| **Funds** | | | | | |
| Unrestricted funds: | | | | | |
| General | 24 | **2,992,883** | **2,747,927** | 2,980,763 | 2,720,173 |
| Pension fund reserve | 24 | **(2,559,000)** | **(2,559,000)** | (5,170,000) | (5,170,000) |
| | | **433,883** | **188,927** | (2,189,237) | (2,449,827) |
| Restricted funds | 25 | **226,916** | **-** | 239,301 | - |
| | | **660,799** | **188,927** | (1,949,936) | (2,449,827) |

**These financial statements were approved by the members of the committee on** 16/12/22 **and are signed on their behalf by:**

**N Hinton**
**Trustee**

**Company Registration No. 5241249 (England and Wales)**

# PURE INNOVATIONS LIMITED

## Consolidated Statement of Cash Flows
## Year ended 31 March 2022

| | Notes | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash generated in operating activities | 27 | | **217,030** | | 1,117,926 |
| Tax paid | | | **-** | | - |
| | | | | | 1,117,926 |
| **Cash used in investing activities** | | | | | |
| Purchase of tangible fixed assets | | **(315,910)** | | (168,317) | |
| Proceeds on disposal of subsidiary | | **-** | | 1 | |
| Interest income | | **1,722** | | 2,353 | |
| **Net cash used in investing activities** | | | **(314,188)** | | (165,963) |
| **Net cash outflow from disposal of subsidiary** | 28 | | **-** | | (2,476) |
| **Net increase in cash and cash equivalents** | | | **(97,158)** | | 949,487 |
| Cash and cash equivalents at beginning of year | | | **2,253,383** | | 1,303,896 |
| **Cash and cash equivalents at end of year** | | | **2,156,225** | | 2,253,383 |

## 1. Company information

Pure Innovations Limited is a private company limited by guarantee and incorporated in England and Wales. The registered office is Unit 5, Station View, Hazel Grove, Stockport, SK7 5ER.

## 2. 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 the charity's governing document, the Companies Act 2006 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

### Consolidation

The financial statements consolidate the results of the charity and its subsidiaries: Salvere Social Enterprise CIC has been consolidated in the comparative figures up to the date of sale in November 2020; and Pure Insight 1628, a separately registered charity which is considered a charity within a charity due to the control and influence of Pure Innovations Limited. The results are consolidated on a on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented as the charity has taken advantage of the exemption afforded under Section 408 of the Companies Act 2006.

### Going concern

The Trustees have assessed whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

Having regard to these matters the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

**2. Accounting Policies (continued)**

**Income**

Income is the amount derived from the provision of goods/services and stated after trade discounts, other sales taxes and VAT where applicable.

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the grant are not yet met.

Investment income is recognised on a receivable basis.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the delivery of its activities and services provided for its beneficiaries and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis as detailed in the accounts.
- Other expenditure represents those items not falling into any other heading.

**Funds structure**

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 26 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

**Volunteers**

The value of services provided by volunteers is not included in the financial statements.

**Donated goods, services, and facilities**

On any occasion where goods and services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. Any goods given to the charity and held for stock are only recognised in the year that the goods are distributed or used.

**2. Accounting Policies (continued)**

**Tangible fixed assets**

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---|---|---|
| IT equipment | - | 33% of cost |
| Catering equipment | - | 25% of cost |
| Fixtures and fittings | - | 25/33% of cost |
| Leasehold improvements | - | 10% of cost |
| Motor vehicles | - | 25% of cost |

**Stocks**

Stock is included at the lower of cost or net realisable value.

**Pensions**

The company operates two pension schemes for employees.

Employees of Pure Innovations Limited have been eligible to join the Greater Manchester Pension Fund, which is a defined benefit scheme. It is funded by contributions from employees and the Company as an employer. The assets of the scheme are held separately in a fund administered for the benefit of Local Authority employees and those other scheduled bodies.

Following auto enrolment, the charity also operates a defined contribution pension scheme operated by NEST. The assets of the scheme are held separately from those of the charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

**Debtors**

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

**Cash at bank and in hand**

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

**2. Accounting Policies (continued)**

**Creditors and provisions**

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

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

**3. Legal status of the Charity**

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 8 (2021: 5).

**4. Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**5. Financial performance of the charity**

The comparative figures of the consolidated statement of financial activities includes the results of the trading subsidiaries Salvere Social Enterprise CIC (to November 2020) as well as the charity Pure Insight 1628. The summary performance of the charity alone is.

| | **2022** | 2021 |
|---|---|---|
| | **£** | £ |
| Income | **6,595,091** | 6,569,554 |
| Expenditure on charitable activities | **(6,877,335)** | (5,887,702) |
| Net expenditure | **(282,244)** | 681,852 |
| Actuarial gains/(losses) on defined benefit pension scheme | **2,921,000** | (2,386,000) |
| Net movement in funds | **2,638,756** | (1,704,148) |
| Total funds brought forward | **(2,449,828)** | (745,680) |
| Total funds carried forward | **188,928** | (2,449,828) |

| 6. Donations and legacies | Unrestricted Funds 2022 £ | Restricted Funds 2022 £ | Total Funds 2022 £ | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ |
|---|---|---|---|---|---|---|
| Appeals and donations | **15,212** | **-** | **15,212** | 8,309 | - | 8,309 |

| 7. Other trading income | Unrestricted Funds 2022 £ | Restricted Funds 2022 £ | Total Funds 2022 £ | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ |
|---|---|---|---|---|---|---|
| Commercial trading operations: | | | | | | |
| Care services | **-** | **-** | **-** | 324,934 | - | 324,934 |
| Other services | **215** | **-** | **215** | 1,066 | - | 1,066 |
| | **215** | **-** | **215** | 326,000 | - | 326,000 |

| 8. Income from charitable activities | Unrestricted Funds 2022 £ | Restricted Funds 2022 £ | Total Funds 2022 £ | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ |
|---|---|---|---|---|---|---|
| Care services | **2,952,003** | **312,523** | **3,264,526** | 2,610,252 | 502,581 | 3,112,833 |
| Supported employment | **2,474,588** | **-** | **2,474,588** | 2,109,213 | - | 2,109,213 |
| Catering | **898,515** | **-** | **898,515** | 690,635 | - | 690,635 |
| Other activities | **426,892** | **-** | **426,892** | 498,645 | - | 498,645 |
| | **6,751,998** | **312,523** | **7,064,521** | 5,908,745 | 502,581 | 6,411,326 |

| 9. Investment income | Unrestricted Funds 2022 £ | Total Funds 2022 £ | Unrestricted Funds 2021 £ | Total Funds 2021 £ |
|---|---|---|---|---|
| Bank interest received | **1,722** | **1,722** | 6,244 | 6,244 |

The investment income arises from interest bearing deposit accounts.

| 10. Commercial trading costs | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2022 £ | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2021 £ |
|---|---|---|---|---|---|---|
| Commercial trading operations: | | | | | | |
| Payroll costs | - | - | - | 284,525 | - | 284,525 |
| Operational costs | - | - | - | 14,381 | - | 14,381 |
| Professional charges | - | - | - | 7,141 | - | 7,141 |
| Marketing costs | - | - | - | - | - | - |
| Taxation | - | - | - | - | - | - |
| | - | - | - | 306,047 | - | 306,047 |

**11. Analysis of expenditure on charitable activities - current year**

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Insight 1628 £ | Total 2022 £ |
|---|---|---|---|---|---|---|
| Payroll, and wage subsidy costs | **1,530,746** | **2,008,862** | **601,863** | **170,698** | **-** | **4,312,169** |
| Pension service cost | **139,377** | **117,191** | **39,734** | **13,698** | **-** | **310,000** |
| Cost of sales and kitchen equipment | **5,104** | **-** | **375,601** | **-** | **-** | **380,705** |
| Premises costs | **213,037** | **5,139** | **138,939** | **2,359** | **-** | **359,474** |
| General administration | **53,620** | **12,931** | **8,865** | **451** | **-** | **75,867** |
| Travel and subsistence | **52,791** | **33,155** | **1,755** | **398** | **-** | **88,099** |
| Equipment | **14,251** | **20** | **15,579** | **-** | **-** | **29,850** |
| Depreciation | **-** | **-** | **-** | **-** | **-** | |
| Pure Insight costs | **-** | **-** | **-** | **-** | **587,949** | **587,949** |
| Professional including IT | **384** | **343** | **16,049** | **8,933** | **-** | **25,709** |
| Marketing | **-** | **285** | **-** | **-** | **-** | **285** |
| Support costs (note 12) | **557,478** | **489,868** | **177,752** | **54,488** | **-** | **1,279,586** |
| Governance | **6,793** | **5,969** | **2,166** | **664** | **-** | **15,592** |
| | **2,573,581** | **2,673,763** | **1,378,303** | **251,689** | **587,949** | **7,465,285** |

Expenditure on charitable activities was £7,465,285 (2021: £6,453,561) of which £7,126,838 (2021: £5,957,405) was unrestricted and £338,447 (2021: £496,156) was restricted.

**11. Analysis of expenditure on charitable activities - prior year**

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Insight 1628 £ | Total 2021 £ |
|---|---|---|---|---|---|---|
| Payroll, and wage subsidy costs | 1,408,146 | 1,876,754 | 455,864 | 166,281 | - | 3,907,045 |
| Pension service cost | 72,386 | 60,864 | 20,636 | 7,114 | - | 161,000 |
| Cost of sales and kitchen equipment | 2,738 | - | 264,334 | - | - | 267,072 |
| Premises costs | 142,485 | - | 40,517 | 474 | - | 183,476 |
| General administration | 67,778 | 14,565 | 9,191 | 575 | - | 92,109 |
| Travel and subsistence | 40,759 | 12,563 | 1,255 | 210 | - | 54,787 |
| Equipment | 10,254 | 343 | 5,765 | - | - | 16,362 |
| Depreciation | 16,894 | - | - | - | - | 16,894 |
| Pure Insight costs | - | | - | - | 565,860 | 565,860 |
| Professional including IT | 1,037 | 516 | 12,771 | - | - | 14,324 |
| Marketing | - | - | 45 | - | - | 45 |
| Support costs (note 12) | 523,801 | 440,427 | 149,326 | 51,479 | - | 1,165,033 |
| Governance | 4,295 | 3,612 | 1,225 | 422 | - | 9,554 |
| | 2,290,573 | 2,409,644 | 960,929 | 226,555 | 565,860 | 6,453,561 |

## 12. Analysis of support costs - current year

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these along with the remaining support costs, are attributed to the key charitable activities. These are allocated on a basis consistent with the income derived from the individual activities. Allocation between individual activities under any other basis is considered impracticable.

| | Care Services | Employment Support | Catering | Other Activities | Total 2022 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Central support costs:* | | | | | |
| Payroll, and wage subsidy costs | 283,759 | 249,344 | 90,477 | 27,736 | 651,316 |
| Cost of sales and kitchen equipment | 329 | 289 | 105 | 32 | 755 |
| Premises costs | 49,285 | 43,308 | 15,715 | 4,817 | 113,125 |
| General administration | 3,824 | 3,360 | 1,219 | 373 | 8,776 |
| Travel and subsistence | 3,428 | 3,012 | 1,093 | 335 | 7,868 |
| Equipment | 4,111 | 3,613 | 1,310 | 402 | 9,436 |
| Depreciation | 86,891 | 76,353 | 27,705 | 8,493 | 199,442 |
| Professional including IT | 62,445 | 54,872 | 19,911 | 6,104 | 143,332 |
| Marketing | 37,519 | 32,969 | 11,963 | 3,667 | 86,118 |
| Irrecoverable VAT | 17,228 | 15,139 | 5,493 | 1,683 | 39,543 |
| Re-organisation costs | 8,659 | 7,609 | 2,761 | 846 | 19,875 |
| | **557,478** | **489,868** | **177,752** | **54,488** | **1,279,586** |
| Governance costs: | | | | | |
| Audit | 6,793 | 5,969 | 2,166 | 664 | 15,592 |
| | **564,271** | **495,837** | **179,918** | **55,152** | **1,295,178** |

**12. Analysis of support costs - prior year**

| | Care Services | Employment Support | Catering | Other Activities | Total 2021 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Central support costs:* | | | | | |
| Payroll, and wage subsidy costs | 273,032 | 229,574 | 77,837 | 26,833 | 607,276 |
| Cost of sales and kitchen equipment | 2,958 | 2,488 | 844 | 291 | 6,581 |
| Premises costs | 61,146 | 51,412 | 17,431 | 6,009 | 135,998 |
| General administration | 8,864 | 7,452 | 2,527 | 871 | 19,714 |
| Travel and subsistence | 1,964 | 1,652 | 560 | 193 | 4,369 |
| Equipment | 1,983 | 1,668 | 565 | 195 | 4,411 |
| Depreciation | 64,413 | 54,161 | 18,363 | 6,330 | 143,267 |
| Professional including IT | 59,047 | 49,648 | 16,833 | 5,804 | 131,332 |
| Marketing | 6,765 | 5,688 | 1,929 | 665 | 15,047 |
| Irrecoverable VAT | 27,351 | 22,998 | 7,797 | 2,688 | 60,834 |
| Re-organisation costs | 16,278 | 13,686 | 4,640 | 1,600 | 36,204 |
| | 523,801 | 440,427 | 149,326 | 51,479 | 1,165,033 |
| Governance costs: | | | | | |
| Audit | 4,295 | 3,612 | 1,225 | 422 | 9,554 |
| | 528,096 | 444,039 | 150,551 | 51,901 | 1,174,587 |

**13. Net income/(expenditure) for the year**

| | **2022** | 2021 |
|---|---|---|
| | **£** | **£** |
| This is stated after charging: | | |
| Depreciation | **199,442** | 160,161 |
| Auditor's fees - for audit services | **12,800** | 10,000 |
| - for financial statements | **2,100** | 1,750 |

**14. Analysis of staff costs, trustees' remuneration and the cost of key management personnel**

| | **2022** | 2021 |
|---|---|---|
| | **£** | **£** |
| Wages, salaries, and other staffing costs | **4,486,782** | 4,308,956 |
| Social security costs | **326,056** | 308,582 |
| Pension costs (including service cost) | **204,872** | 370,329 |
| | **5,017,710** | 4,987,867 |

**14. Analysis of staff costs, trustees' remuneration and the cost of key management personnel (continued)**

Pension funding within the Statement of Financial Activities includes £310,000 (2021: £161,000) in relation to the current service cost as included in the pension scheme note.

One employee (2021: one) had emoluments in excess of £60,000 (2021: £60,000). These employees fell into the following pay bands:

| | **2022** | 2021 |
|---|---|---|
| | **No** | No |
| £60,000 - £69,999 | **1** | 1 |
| | | 1 |

The key management personnel of the charity comprise the trustees and the Executive Management Team. The total company employee benefits of the key management personnel of the Trust were £279,230 (2021: £232,502).

In addition, 205 (2021: 200) volunteers have given their time in the period, no value has been attributed to volunteer time.

**15. Staff numbers**

The average monthly number of full time employed by the charity and its subsidiaries during the year was:

| **2022** | 2021 |
|---|---|
| **No** | No |
| **228** | 223 |

**16. Corporation tax**

As a charity, the company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent they are applied to its charitable objectives. No corporation tax charge for the period was incurred by any of the trading subsidiaries and on this basis no provision has been made for corporation tax.

**17. Tangible fixed assets**

| The Charity | IT Systems £ | Catering Equipment £ | Fixtures and Fittings £ | Leasehold Improvements £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1st April 2021 | 188,413 | 259,166 | 58,176 | 51,021 | 208,732 | 765,508 |
| Additions | 90,679 | 9,960 | 12,521 | 75,991 | 124,700 | 313,851 |
| Disposals | (58,856) | - | (15,428) | - | (76,770) | (151,054) |
| **At 31 March 2022** | **220,236** | **269,126** | **55,269** | **127,012** | **256,662** | **928,305** |
| **Depreciation** | | | | | | |
| At 1st April 2021 | 105,947 | 108,070 | 40,473 | 7,854 | 137,358 | 399,702 |
| Charge for the year | 55,780 | 52,670 | 11,563 | 16,076 | 63,353 | 199,442 |
| Eliminated on disposal | (58,885) | - | (15,418) | - | (75,334) | (149,637) |
| **At 31st March 2022** | **102,842** | **160,740** | **36,618** | **23,930** | **125,377** | **449,507** |
| **Net book value** | | | | | | |
| **At 31st March 2022** | **117,394** | **108,386** | **18,651** | **103,082** | **131,285** | **478,798** |
| At 31st March 2021 | 82,466 | 151,096 | 17,703 | 43,167 | 71,374 | 365,806 |

| The Group | IT Systems £ | Catering Equipment £ | Fixtures and Fittings £ | Leasehold Improvements £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1st April 2021 | 201,949 | 259,166 | 60,940 | 51,021 | 218,682 | 791,758 |
| Additions | 92,738 | 9,960 | 12,521 | 75,991 | 124,700 | 315,910 |
| Disposals | (58,856) | - | (15,428) | - | (76,770) | (151,054) |
| **At 31 March 2022** | **235,831** | **269,126** | **58,033** | **127,012** | **266,612** | **956,614** |
| **Depreciation** | | | | | | |
| At 1st April 2021 | 113,171 | 108,070 | 40,749 | 7,854 | 141,504 | 411,348 |
| Charge for the year | 61,111 | 52,670 | 11,563 | 16,076 | 66,670 | 208,090 |
| Eliminated on disposal | (58,885) | - | (15,418) | - | (75,334) | (149,637) |
| **At 31st March 2022** | **115,397** | **160,740** | **36,894** | **23,930** | **132,840** | **469,801** |
| **Net book value** | | | | | | |
| **At 31st March 2022** | **120,434** | **108,386** | **21,139** | **103,082** | **133,772** | **486,813** |
| At 31st March 2021 | 88,778 | 151,096 | 20,191 | 43,167 | 77,178 | 380,410 |

**18. Subsidiaries**

**Salvere Social Enterprise (CIC)**

The charity disposed of its share in Salvere Social Enterprise CIC on 6 November 2020 for £1. The loss on disposal has been attributed in the Group Statement of Financial Activities in the prior year.

**19. Stock**

| | **The Group** | **The Charity** | The Group | The Charity |
|---|---|---|---|---|
| | **2022** | | 2021 | |
| | **£** | **£** | £ | £ |
| Goods for resale | **39,300** | **39,300** | 21,225 | 21,225 |
| | **39,300** | **39,300** | 21,225 | 21,225 |

**20. Debtors**

| | **The Group** | **The Charity** | The Group | The Charity |
|---|---|---|---|---|
| | **2022** | | 2021 | |
| | **£** | **£** | £ | £ |
| Trade debtors | **526,342** | **526,342** | 629,316 | 629,316 |
| Other debtors and prepayments | **653,816** | **652,743** | 356,373 | 355,623 |
| | **1,180,158** | **1,179,085** | 985,689 | 984,939 |

## 21. Creditors: amounts falling due within one year

| | **The Group** | **The Charity** | The Group | The Charity |
|---|---|---|---|---|
| | **2022** | | 2021 | |
| | **£** | **£** | £ | £ |
| Trade creditors | **108,177** | **108,177** | 117,975 | 117,975 |
| Other taxes and social security | **167,485** | **73,875** | 68,791 | 62,807 |
| Other creditors and accruals | **367,035** | **360,520** | 233,877 | 221,644 |
| | **642,697** | **542,572** | 420,643 | 402,426 |

## 22. Commitments under operating leases

The company leases its main business premises, several café premises and other equipment under formal operating leases. The lease agreements terminate between 2021 and 2026. At 31 March 2022 the company had annual commitments under non-cancellable operating leases as set out below.

| | **2022** | 2021 |
|---|---|---|
| **Land & buildings** | **£** | £ |
| Operating leases which expire: | | |
| Within 1 year | **168,798** | 198,517 |
| Within 2 to 5 years | **381,133** | 549,931 |
| | **549,931** | 748,448 |

## 23. Retirement benefit schemes

### Defined contribution scheme - NEST

In recent years new employees of the group are only able to join the National Employment Savings Trust (NEST) pension scheme, under current legislation employees not in GMPF are automatically enrolled into NEST unless they have exercised their right to opt out of scheme membership; This is a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The employee and employer contributions are 3% for employees and 5% for employers in 2022. Employers contributions of £124,000 (2021: £106,342) have been paid to this scheme during the period.

### Defined benefit schemes - GMPF

The company operates a defined benefit scheme for employees. The scheme is an admitted body to the Greater Manchester Pension Fund. The GMPF scheme is a local government pension scheme and is administered by Tameside Metropolitan Borough in accordance with the Local Government Pension Scheme regulations. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the statement of financial activities so as to spread the costs of pensions over the service lives of the employees. Variations from the regular costs are spread over the average expected remaining working lives of current members of the scheme.

Members of the scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution Scheme, each of which is funded by the employee alone.

Members of the GMPF accrue an indexed linked pension of 1/80$^{th}$ of the best of the last 3 years pensionable service for each year of service. Additional benefits include a lump sum on retirement, continued (reduced) pensions for a spouse on death of a member and benefits for dependents on death or permanent incapacity. service.

The latest formal valuation of the scheme for the purposes of setting employers' actual contributions was on 31 March 2022.

Contributions to the scheme have been made during 2022 at rates that have been recommended by GMPF actuarial advisors. These are:

Employee - Banded rate based on pensionable earnings between 5.5% and 8.5%

Employers - 19.8% of pensionable earnings

When the company joined GMPF on 1 July 2005 there was a transfer of employees from Stockport MBC. The transfer of pension arrangements was on a fully funded basis i.e. there was no transfer of deficit in the Fund attributable to the transferring employees (on the ongoing valuation basis) from Stockport MBC. It should be noted that the year-end valuation calculated under FRS17, showed a variation from the initial valuation which was made using a differing accounting convention.

The valuation in these financial statements assumes a notional re-allocation of assets in the Fund from Stockport MBC to Pure Innovations Limited on this basis.

**23. Retirement benefit schemes (continued)**

**Financial Assumptions**

| The key financial assumptions used are: | **2022 % pa** | 2021 % pa |
|---|---|---|
| Inflation/pension increases | **3.15%** | 2.80% |
| Salary Increases | **3.90%** | 3.55% |
| Discount rate | **2.75%** | 2.05% |

| **Mortality Assumptions** | **2022 Years** | | 2021 Years | |
|---|---|---|---|---|
| The period of pension drawdown: | **Current** | **Future** | Current | Future |
| Male | **20.3** | **21.6** | 20.5 | 21.9 |
| Female | **23.2** | **25.1** | 23.3 | 25.3 |

**Key assumptions**

*Life expectancy*
Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 with a 0% weighting of 2020 data, standard smoothing (sk7), initial adjustments of 0.5% and a long-term rate of improvement of 1.5% pa.

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 80% of the maximum tax-free cash for post-April 2008 service.

*Discount rates*
In accordance with FRS 102 the discount rate used to place a value on the liabilities should be determined by reference to market yields on high quality corporate bonds at the reporting date. In addition, the currency and term of the high-quality corporate bonds used to set the discount rate should be consistent with the currency and term of the obligations.

Government bond yield curves are updated and available on a daily basis from the Bank of England. It is therefore relatively easy to identify a spot yield on Government bonds at any duration and at any date. Unfortunately, a similarly accessible corporate bond yield curve is not so readily available.

The discount rate should reflect the 'term' of the benefit obligation. 'Term' has been interpreted as the weighted average duration of the benefit obligation. This is broadly defined as 'the weighted average time until payment of all expected future discounted cashflows, determined based on memberships and the financial and demographic assumptions at a particular time' The shorter the duration, the more 'mature' the employer.

*Retail Prices Inflation*
This assumption is typically derived from yields available on fixed interest and index linked Government bonds, and should be consistent with the derivation of the discount rate.

*Pension increases*
The pension increase assumption is set in line with the Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist. Therefore, it is necessary to estimate the long-term gap between RPI and CPI in order to derive a CPI assumption for accounting purposes.

*Salary growth*
The assumption is generally consistent with the most recent actuarial valuation. An additional allowance for promotional salary increases is also made.

| 23. | Retirement benefit schemes (continued) | Scheme Assets £ | Scheme Liabilities £ | Net Pension Liability £ |
|---|---|---|---|---|
| | ***Shown in the Statement of Financial Activities*** | | | |
| | *Service cost* | | | |
| | Current service cost | - | **(326,000)** | **(326,000)** |
| | **Total service costs** | - | **(326,000)** | **(326,000)** |
| | *Net Interest* | | | |
| | Interest income on plan assets | **296,000** | | **296,000** |
| | Interest cost on defined benefit obligation | - | **(404,000)** | **(404,000)** |
| | **Total net interest** | **296,000** | **(404,000)** | **(108,000)** |
| | *Cashflows* | | | |
| | Employer's contributions | **41,000** | **(41,000)** | - |
| | Members' contributions | **124,000** | - | **124,000** |
| | Benefits paid | **(205,000)** | **205,000** | - |
| | **Total cashflows** | **(40,000)** | **164,000** | **124,000** |
| | **Total costs in Statement of Financial Activities** | **256,000** | **(566,000)** | **(310,000)** |
| | Opening position at 1 April 2021 | 14,454,000 | (19,624,000) | (5,170,000) |
| | Changes in financial assumptions | - | **1,540,000** | **1,540,000** |
| | Changes in demographic assumptions | - | **108,000** | **108,000** |
| | Other experience | | **(47,000)** | **(47,000)** |
| | Return on assets excluding net interest | **1,320,000** | | **1,320,000** |
| | **Total remeasurements recognised in OCI** | **15,774,000** | **(18,023,000)** | **(2,249,000)** |
| | **Closing position at 31 March 2022** | **16,030,000** | **(18,589,000)** | **(2,559,000)** |

| 23. | **Retirement benefit schemes (continued)** | **2022** | 2021 |
|---|---|---|---|
| | | **£** | £ |
| | *Fair value of plan assets at the reporting period end* | | |
| | Equity instruments | **10,740,100** | 10,406,880 |
| | Debt instruments | **2,404,500** | 1,734,480 |
| | Property | **1,282,400** | 1,011,780 |
| | Cash | **1,603,000** | 1,300,860 |
| | | **16,030,000** | 14,454,000 |

| | **2022** | 2021 |
|---|---|---|
| | **£** | £ |
| *The defined benefit obligations arise from plans funded as follows:* | | |
| Wholly unfunded obligations | **-** | - |
| Wholly or partly funded obligations | **18,589,000** | 19,624,000 |
| | **18,589,000** | 19,624,000 |

**24. Unrestricted Funds - current year**

| **The Charity** | Balance at 1 April 2021 £ | **Incoming resources £** | **Resources expended £** | **Actuarial Gains/ (losses) £** | **Transfers £** | **Balance at 31 March 2022 £** |
|---|---|---|---|---|---|---|
| **General fund** | 2,720,173 | **6,595,091** | **(6,567,337)** | **-** | **-** | **2,747,927** |
| Pension fund reserve | (5,170,000) | **-** | **(310,000)** | **2,921,000** | **-** | **(2,559,000)** |
| **Total general funds** | (2,449,827) | **6,595,091** | **(6,877,337)** | **2,921,000** | **-** | **188,927** |

| **The Group** | Balance at 1 April 2021 £ | **Incoming resources £** | **Resources expended £** | **Actuarial Gains/ (losses) £** | **Transfers £** | **Balance at 31 March 2022 £** |
|---|---|---|---|---|---|---|
| **General fund** | 2,980,763 | **6,842,497** | **(6,816,838)** | **-** | **(13,539)** | **2,992,883** |
| Pension fund reserve | (5,170,000) | **-** | **(310,000)** | **2,921,000** | **-** | **(2,559,000)** |
| **Total general funds** | (2,189,237) | **6,842,497** | **(7,126,838)** | **2,921,000** | **(13,559)** | **433,883** |

**Unrestricted Funds - prior year**

| **The Charity** | Balance at 1 April 2020 £ | Incoming resources £ | Resources expended £ | Actuarial Gains/ (losses) £ | Transfers £ | Balance at 31 March 2021 £ |
|---|---|---|---|---|---|---|
| **General fund** | 1,877,320 | 6,569,554 | (5,726,701) | - | - | 2,720,173 |
| Pension fund reserve | (2,623,000) | - | (161,000) | (2,386,000) | - | (5,170,000) |
| **Total general funds** | (745,680) | 6,569,554 | (5,887,701) | (2,386,000) | - | (2,449,827) |

| **The Group** | Balance at 1 April 2020 £ | Incoming resources £ | Resources expended £ | Actuarial Gains/ (losses) £ | Transfers £ | Balance at 31 March 2021 £ |
|---|---|---|---|---|---|---|
| **General fund** | 2,068,559 | 7,047,463 | (6,135,009) | - | (250) | 2,980,763 |
| Minority interests | (4,326) | 4,326 | - | - | - | - |
| Pension fund reserve | (2,623,000) | - | (161,000) | (2,386,000) | | (5,170,000) |
| **Total general funds** | (558,767) | 7,051,789 | (6,296,009) | (2,386,000) | (250) | (2,189,237) |

**25. Restricted funds - current year**

| The Charity & the Group | Balance at 1 April 2021 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2022 £ |
|---|---|---|---|---|---|
| Christmas Dinner | 8,357 | **10,666** | **(6,133)** | **-** | **12,850** |
| Steve Morgan Foundation | - | **20,167** | **(33,646)** | **13,479** | **-** |
| Healthy Young Minds | 15,964 | **-** | **(15,964)** | **-** | **-** |
| Williams Foundation | 1,585 | **54** | **(1,303)** | **-** | **336** |
| Care Conference | 8,288 | **-** | **(8,288)** | **-** | **-** |
| Trafford Housing Trust | 7,287 | **-** | **(7,287)** | **-** | **-** |
| The Henry Smith Charity | 14,415 | **39,100** | **(39,128)** | **-** | **14,387** |
| COVID-19 Relief | 26,611 | **-** | **(26,671)** | **60** | **-** |
| National Lottery | 133,475 | **102,536** | **(132,697)** | **-** | **103,314** |
| Spark Foundation | 100 | **825** | **(857)** | **-** | **68** |
| Warrington | 18,219 | **10,000** | **(23,009)** | **-** | **5,210** |
| Trafford Extension | 5,000 | **-** | **(5,000)** | **-** | **-** |
| Cheshire Community Foundation | - | **17,000** | **(1,834)** | **-** | **15,166** |
| Rayne Foundation | - | **25,000** | **(16,667)** | **-** | **8,333** |
| Awards for All | - | **10,000** | **(4,167)** | **-** | **5,833** |
| Paul Hamlyn Fund | - | **30,000** | **(12,500)** | **-** | **17,500** |
| Wellan Trust | - | **42,175** | **(3,256)** | **-** | **38,919** |
| Schroder | - | **5,000** | **-** | **-** | **5,000** |
| **Total restricted funds** | 239,301 | **312,623** | **(338,447)** | **13,539** | **226,916** |

| Name of restricted fund | Description, nature, and purposes of the fund |
|---|---|
| Christmas Dinner | To provide an extensive Christmas Dinner for care leavers across the areas we are delivering services to. |
| Steve Morgan Foundation | A project based in Crewe providing a service to Care Leavers in that area. |
| Healthy Young Minds | This is a project which aims to improve the mental state of the Care Leaver clients through use of psychological and wellbeing workers. |
| Williams Foundation | This enables us to help fund a small package of household goods for clients moving into a property for the first time. |
| Care Conference | This was used to fund a national care conference in Liverpool in April 2019, and will be used for other similar purposes in the future. |
| Trafford Housing Trust | This is providing a service to care leavers in the Trafford area enabling them to move into accommodation as part of a move into a settled life |
| The Henry Smith Charity | This fund is being used to fund a Psychological Wellbeing Worker to provide counselling, emotional support and life skills training to young people aged between 16-28, who are leaving care in Stockport. |

**25. Restricted funds - current year (cont'd)**

**The Charity & the Group**

| Name of restricted fund | Description, nature and purposes of the fund |
|---|---|
| COVID-19 Relief | This fund is being used to provide equipment and other necessities for our clients to support them through the pandemic and be in a better state of mind and place, than would otherwise be the case. |
| National Lottery | To scale our successful mentoring programme into two new local authority areas and secure funding for the service in the longer term. |
| Spark Foundation | This enables us to help cover some expenses for clients when they are moving home. |
| Warrington | To support the range of services we are delivering in that borough, in addition to the local council contribution. |
| Trafford Extension | This allows us to cover the costs of providing a service in Trafford until such time as the contracts in that borough come to an end. |
| Cheshire Community Foundation | This has helped us to provide additional activities within our Cheshire East area, such as the operation of a café. |
| Rayne Foundation | This has helped to fund a project support worker post in some of our more deprived areas that we work in. |
| Awards for All | This fund has been used to support the organisation achieve its objectives by providing specific financial support in the Stockport area. |
| Paul Hamlyn Fund | This fund has helped us to support our clients across a wide geographical area, by providing additional funding which has been utilised in a variety of ways. |
| Wellan Trust | This specifically has allowed us to recruit an additional post, being an employment officer who works across a number of areas. |
| Schroder | This will be used to provide top up funding enabling some of our activities to take place. |

**25. Restricted funds - prior year**

| **The Charity & the Group** | Balance at 1 April 2020 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2021 £ |
|---|---|---|---|---|---|
| Big Lottery Fund - Reaching Communities | - | 54,295 | (54,295) | - | - |
| Christmas Dinner | 6,903 | 6,841 | (5,387) | - | 8,357 |
| Steve Morgan Foundation | - | 24,720 | (24,970) | 250 | - |
| Healthy Young Minds | 25,066 | 49,861 | (58,963) | - | 15,964 |
| Williams Foundation | 2,206 | 3,123 | (3,744) | - | 1,585 |
| Care Conference | 8,288 | - | - | - | 8,288 |
| Trafford Housing Trust | 4,474 | 53,189 | (50,376) | - | 7,287 |
| The Henry Smith Charity | 18,153 | 39,100 | (42,838) | - | 14,415 |
| COVID-19 Relief | 8,416 | 71,797 | (53,602) | - | 26,611 |
| Big Lottery Fund - Reaching Communities 2 | 159,120 | 175,836 | (201,481) | - | 133,475 |
| Spark Foundation | - | 600 | (500) | - | 100 |
| Warrington | - | 18,219 | - | - | 18,219 |
| Trafford Extension | - | 5,000 | - | - | 5,000 |
| **Total restricted funds** | 232,626 | 502,581 | (496,156) | 250 | 239,301 |

**26. Analysis of assets between funds - current year**

| **The Charity** | **General Fund £** | **Designated Funds £** | **Restricted Funds £** | **Total £** |
|---|---|---|---|---|
| Tangible fixed assets | **478,798** | **-** | **-** | **478,798** |
| Cash at bank and in hand | **1,593,316** | **-** | **-** | **1,593,316** |
| Other net current assets | **675,813** | **-** | **-** | **675,813** |
| Defined benefit pension liability | **-** | **(2,559,000)** | **-** | **(2,559,000)** |
| | **2,747,927** | **(2,559,000)** | **-** | **188,927** |

| **The Group** | **General Fund £** | **Designated Funds £** | **Restricted Funds £** | **Total £** |
|---|---|---|---|---|
| Tangible fixed assets | **486,813** | **-** | **-** | **486,813** |
| Cash at bank and in hand | **2,156,225** | **-** | **-** | **2,156,225** |
| Other net current assets | **349,845** | **-** | **226,916** | **576,761** |
| Defined benefit pension liability | **-** | **(2,559,000)** | **-** | **(2,559,000)** |
| | **2,992,883** | **(2,559,000)** | **226,916** | **660,799** |

**Analysis of assets between funds - prior year**

| **The Charity** | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | 365,806 | - | - | 365,806 |
| Cash at bank and in hand | 1,750,629 | - | - | 1,750,629 |
| Other net current assets | 604,278 | - | - | 604,278 |
| Defined benefit pension liability | - | (5,170,000) | - | (5,170,000) |
| | 2,720,713 | (5,170,000) | - | (2,449,287) |

| **The Group** | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | 380,410 | | | 380,410 |
| Cash at bank and in hand | 2,253,383 | | | 2,253,383 |
| Other net current assets | 346,970 | - | 239,301 | 586,271 |
| Defined benefit pension liability | - | (5,170,000) | - | (5,170,000) |
| | 2,980,763 | (5,170,000) | 239,301 | (1,949,936) |

| 27. | Cash used in operations | 2022 | 2021 |
|---|---|---|---|
| | | £ | £ |
| | Net movement in funds | **(265)** | 935,157 |
| | *Adjustments for:* | | |
| | Tax | **-** | - |
| | Depreciation | **208,090** | 167,569 |
| | Interest income | **(1,722)** | (2,353) |
| | Loss on disposal of assets | **1,417** | 8,756 |
| | Loss on disposal of subsidiary | **-** | 16,279 |
| | *Movements in working capital:* | | |
| | (Increase)/decrease in stock | **(18,075)** | 11,208 |
| | (Increase) in debtors | **(194,469)** | (44,433) |
| | Increase in creditors | **222,054** | 25,743 |
| | **Net cash generated in operations** | **217,030** | 1,117,926 |

| 28. | Disposal of subsidiaries | 2022 | 2021 |
|---|---|---|---|
| | | £ | £ |
| | Net liabilities disposed of | **-** | 30,002 |
| | Cash | **-** | 2,476 |
| | | **-** | 32,478 |
| | Minority Interest | **-** | (16,199) |
| | Loss on disposals | **-** | (16,279) |
| | Net cash proceeds on disposal | **-** | - |
| | Bank balance in subsidiary on disposal | **-** | (2,476) |
| | **Cash loss on disposal** | **-** | (2,476) |

**29. Net debt reconciliation - current year**

| **The Charity** | **1 April 2021 £** | **Cash flows £** | **31 March 2022 £** |
|---|---|---|---|
| Cash | **1,750,529** | **(157,213)** | **1,593,316** |
| | **1,750,529** | **(157,213)** | **1,593,316** |

| **The Group** | **1 April 2021 £** | **Cash flows £** | **31 March 2022 £** |
|---|---|---|---|
| Cash | **2,253,383** | **(97,158)** | **2,156,225** |
| | **2,253,383** | **(97,158)** | **2,156,225** |

**Net debt reconciliation - prior year**

| **The Charity** | 1 April 2020 £ | Cash flows £ | 31 March 2021 £ |
|---|---|---|---|
| Cash | 873,647 | 876,982 | 1,750,629 |
| | 873,647 | 876,982 | 1,750,629 |

| **The Group** | 1 April 2020 £ | Cash flows £ | 31 March 2021 £ |
|---|---|---|---|
| Cash | 1,303,896 | 949,487 | 2,253,383 |
| | 1,303,896 | 949,487 | 2,253,383 |

**PURE INNOVATIONS LIMITED**

England & Wales - Charity number 1111252

# Accounts

# PURE INNOVATIONS LIMITED

## COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS

**For the year ended**
**31 March 2021**

**Company Registration Number: 5241249**
**Charity Number: 1111252**

# PURE INNOVATIONS LIMITED

**Financial Statements**
**Year ended 31 March 2021**

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# PURE INNOVATIONS LIMITED

## Legal and Administrative Details

| | |
|---|---|
| **Company number** | 1111252 |
| **Charity number** | 5241249 |
| **Registered office** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Principal address** | Prospect House<br>Newby Road Industrial Estate<br>Newby Road<br>Hazel Grove<br>Stockport<br>SK7 5DA |
| **Trustees** | Mr. A. Allman<br>Miss N Hinton<br>Ms G. Gordon<br>Mrs H. White<br>Ms N Waterfield<br>Mrs L Powis<br>Ms J Walker<br>Ms G Taylor |
| **Executive Management Team** | Mr S Brierley -Director of Finance<br>Mr D Ferrier -Director of Operations<br>Mrs J Hutton - Director of Human Resources<br>Mrs L Parrott-Bates - Chief Executive<br>Mr. P. Locke – Director of Compliance and Health and Safety |
| **Bankers** | The Co-operative Bank plc<br>1 Balloon Street<br>Manchester<br>M4 4BE |
| **Auditors** | Mitchell Charlesworth<br>3rd Floor, 44 Peter Street<br>Manchester<br>M2 5GP |

## Trustees' Report
## Year ended 31 March 2021

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

The financial statements comply with 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 2019).

**Purposes and Activities**
The company's purpose is to foster and promote for the benefit of the public, the advancement of education, the relief of poverty and sickness and for any other charitable purposes by all or any of the following means:

- The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.
- The advancement of education, training, or re-training, particularly amongst unemployed people and providing unemployed people with work experience and among the providers of education, training, and work experience to beneficiaries of the Charity.
- The provision or assistance in the provision of care and recreational facilities in the interests of social welfare for those who by reason of their youth, age, infirmity or disablement, poverty, or social and economic circumstances, have need of such facilities with the object of improving the beneficiaries' conditions of life.

The overall aim is to promote independence, increase choice and provide more appropriate support to people to make the most of their capacity and potential.

Following the transfer of the undertaking from Stockport MBC Social Services Department on 1 July 2005, the following activities have been developed:

Care activities - provide support for clients right across the disability spectrum including learning disability, mental health or physical / sensory disability, assisting them to develop as individuals as much as possible.

This could be undertaken within our catering services offer. The cafes (including one café which we took over in the past year) we run offer training opportunities in customer care, health and safety and food hygiene. Other opportunities exist through the One Voice, which seeks to raise awareness throughout Stockport of the issues faced by people who are from the most disadvantaged area by producing material for a community radio station. We also have various Arts and Animation offers in various locations and we are looking to develop and broaden these types of offer for the benefits of the client group. This has included developing a Ceramics offer to our clients in Stockport and turning one of our cafes into a commercial bread and cake making operation.

Employment services – these seek to find employment for the long term unemployed and socially disadvantaged people who are not catered for, or who have been rejected by mainstream service providers. Working in partnership with large public sector and private sector employers to educate, encourage and support them to employ a diverse workforce including disabled people. An important part of this service is to seek ways of retaining employment for such people who may be at risk of losing their employment status.

Education and training - to support the above-named activities we also run various accredited and non-accredited courses and education programmes, this includes our travel training programme which now operates in a majority of boroughs in Greater Manchester. The approach in this area is to maximise the life chances of our client cohort. We work in close partnership with education providers to ensure employment outcomes are an aspiration for young people with special educational needs. We deliver Supported Internship sites across Greater Manchester in conjunction with large corporate and public sector organisations to increase the number of people in employment.

Wellbeing and Independence – we have a direct contract with Stockport MBC to provide a contact point for any individual in the Borough who has a social need, and by use of sub-contractors or sometimes the provision of services we provide to meet as many of those identified needs. This preventative works aims to delay or prevent the escalation of health and social care services, addressing the growing concern around loneliness and isolation experienced by so many in communities. We aim to improve individuals' wellbeing by reducing social isolation and connecting people to their communities with a sense of purpose and meaning.

Mental Health Contracted by Stockport MBC to support people with enduring mental health concerns to offer community integration and connectivity with areas of interest. Creating a holistic approach to wellbeing and health including access to complex caseworkers thus a specialist counselling service.

Greater Manchester Combined Authority has contracted with us to deliver a Specialist Supported Employment Service covering five of the ten Greater Manchester Local Authority areas. The contract started in April 2020 for 3+2 years. The aim is to secure employment to people with a mental health or learning disability diagnoses.

We have like many businesses been impacted by COVID-19 and we have seen many clients withdraw from services fearing for their health. We have been impacted by the closure of our trading cafes losing irrevocable income. However, it is also fair to acknowledge that we have fared better than most as public services being local authority health and education have continued to pay for work aligned to contracts regardless of delivery availability. This has in effect allowed us a fortunate position of securing more than budgeted surplus on our bottom line – a bonus as commissioners now are moving to a payment on actuals increasing our financial risk somewhat. We hope that the road map to recovery will give us an optimistic return to business as usual in the second half of 2021/22.

**Public benefit**
The main activities are outlined in the section above. They are all undertaken to further the charity's purpose for the public benefit, with due regard to the Charity Commission's guidance on this subject, including the guidance "Public benefit: running a charity (PB2)."

**Achievements and Performance**
We provide a range of support services across Greater Manchester. The total number of people supported pre pandemic in these locations was over 500. The numbers we have been able to support as a result of the pandemic Is less than previously, but over the course of the previous year we secured 113 people paid work, 116 young people were trained to use public transport independently, 23 young people gained accredited learning courses or training, we supported 305 people in our care support engaged in meaningful activities and 563 people became better connected to their communities.

The activities provided for the clients were in the areas of:

- Arts, Pottery and Drama
- Catering and Retail
- Greenspace
- Health and Wellbeing
- Pre-Employment and Placement
- Supported in-house sessions
- Supported Internships
- Travel training
- Supported Employment
- Health and Well-being
- Cookery and Baking
- Sports and Exercise
- Music and Dance
- Health and Beauty
- IT
- Woodwork

We survey our clients on a regular basis, and some of the recent outcomes are listed below.

In our provision of care, we gained feedback from 160 clients out of a potential cohort of 187.

| | |
|---|---|
| Do you enjoy Pure | 94 % responded yes |
| Are staff kind and caring? | 94 % responded yes |
| Do staff listen to what projects you would like to do? | 88 % responded yes |
| How does coming to Pure make you feel? Very happy or OK | 96 % responded yes |

In terms of employment services, our main programme was in respect of Supported Internships and there we had 109 people enrol leading to 46% of young people securing employment by the end of the programme.

| | |
|---|---|
| That your employment goals were achieved | 92% responded yes |
| That you received good support from Pure | 91% responded yes |
| That you received good communication from Pure | 92% responded yes |

**Financial review**

We have managed to achieve another year of trading profitability, this has been achieved despite austerity measures in the public sector continuing to impact upon most income streams of the business and this still constitutes a major challenge for the foreseeable future, particularly as the financial consequences of the COVID-19 pandemic work through in future years.

The main sources of income are in delivery of services funded by local authorities, colleges and through other government contracts. However, there is an increasing reliance upon clients in charge of their own budgets, opting to use that money to spend on our service delivery to them. We are seeking to provide a level of service which goes beyond just retaining those individuals but adding to their number.

The charity's surplus for the year (excluding pension service costs) was £790k, this was adversely impacted by £36k of redundancy costs.

Outside of the underlying performance of the charity, the net movement in funds is also affected by actuarial movements between years on the pension fund. Actuarial adjustments reported by Hymans Roberts LLP, the Scheme Actuaries has resulted in an increase in the deficit in the past year of £2.386m, following a reduction in the previous year of £2.447m. This has arisen due to various changes in long term actuarial assumptions. The impacts of these changes arising from the revision of the assumptions used by the Actuaries are outlined in more detail in note 24 to these accounts.

The risk register identifies the major risks as being around the loss of key staff and generally high staff turnover in the business, reductions in income for delivery of core services in response to public sector austerity cuts and the impact of COVID-19 and failures of IT systems.

We raised salary levels for our main body of operational staff by a further 3% from 1 April 2020, in response to the identified risk and that has resulted in a better recruitment and retention of those types of employees. We have changed the way the business operates to accommodate that financial impact and also return the business to one of moving towards a sustained level of profitability identified as necessary for the medium term. We are also investing in new IT systems that will add to our operational efficiency, although the risk of failure of those systems is a constant risk which we continue to monitor regularly.

**Salvere Social Enterprise CIC**
On 22 December 2011, the charity acquired a 51% interest in the share capital of Salvere Social Enterprise CIC. Salvere provides a range of support planning, advisory and personal assistant services and also re-ablement services to its clients. Funding from the start-up and technological development for this business was achieved with grants and loans from the Social Enterprise Fund. Additional funding had been advanced from Pure Innovations Ltd to this business to assist with reorganisation and continuing development of its funding model, but the balance on the loan account has decreased over the course of the year, and the loan was wholly repaid prior to the sale of the company on 6 November 2020 to the other directors.

**Pure Insight 1628**
Insight is a charity within the charity of Pure Innovations Ltd. It is separately registered and commenced activities on 1 April 2014 to extend and continue to work with young people attaining adulthood in their transition to Independence from the Social Care System.

**Reserves policy**
Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergencies. A reserves policy is being developed for adoption. Charity Commission guidance is that reserves should be equivalent to three months' expenditure, and on the basis of the Business Plan for 2021-22 this indicates a level of reserves of around £1.5 million.

The total level of reserves at the end of March is £2.98 million. We envisage therefore that the level of reserves in the next financial year will continue to exceed the level of reserves which application of the Charity Commission guidance would indicate,

**Investment powers and policy**
The trustees, having regard to the liquidity requirements of operating the business, have spread their available funds across a number of different financial institutions and types of account. One of those accounts was closed towards the end of the financial year, with the funds being transferred into the main current account, until such time as various payments were made, and a balance could be transferred into a newly created account. The investment approach is currently being reviewed to ensure that funds are placed with secure institutions earning the best rate of interest in what is historically a depressed marketplace.

**Plans for future periods**
With the business trading profitably, the aim is to maintain 5% profitability, although that is unlikely in the short-term.

There has been investment in the business, principally in IT systems, and upgrading of properties we occupy, either by internal refurbishment or moving to more appropriate buildings. The intention is that this will ultimately improve our performance and profitability.

**Research and development activities of the charity**
We are always looking at identified areas of good practice across the UK to see if we can enhance our offer and therefore improve the outcomes for disabled and disadvantaged people in our communities.

Recently we have been investing in becoming a more digitally aware organisation meeting the needs of younger people coming into our service and also our ambition to become a paperless organisation as most of our work is remote in the community and access needs to be on-line.

Our work replicates part of the government's agenda of supporting as many people as possible into employment who are in receipt of benefits. We will pilot new initiatives to achieve this with people furthest away from the labour market.

**Structure, governance and management**

**Governing Document**
The organisation is a charitable company that is limited by guarantee. The company was incorporated on 24 September 2004, and registered as a charity on 12 September 2005. The Company was established under a Memorandum of Association which defines the objects and powers of the charitable company and is governed under its Articles of Association.

**Recruitment and appointment of Trustees**
Members of the Board of Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles of Association are known as Trustees.

Board members bring a variety of skills to the organisation and we are pleased to have filled some vacancies in the course of the past year.

**Trustee induction and training**
We have developed a trustee induction pack, which we have rolled out with the new appointees.

**Reference and administrative details**
Reference and administrative details are shown in the legal and administrative details page of the financial statements.

**Organisation**
The directors of the charitable company (the Charity) are its trustees for the purpose of Charity law and directors for the purpose of Company law. The trustees who served the charity during the year were as follows:

**Key management personnel: Trustees' and Directors**

| | |
|---|---|
| Chair: | Mr A Allman |
| Trustees: | Miss N Hinton |
| | Ms G. Gordon |
| | Mrs H White |
| | Ms N. Waterfield |
| | Mrs L Powis (appointed 14th January 2021) |
| | Ms J Walker (appointed 14th January 2021) |
| | Ms G Taylor (appointed 14th January 2021) |

**Key management personnel: Executive Management Team**

| | |
|---|---|
| Director of Finance | Mr S Brierley |
| Director of Operations | Mr D Ferrier |
| Director of Human Resources | Mrs J Hutton |
| Chief Executive | Mrs L Parrott-Bates |
| Director of Compliance and Health and Safety | Mr P Locke |

The Board of Pure Innovations meets every two months, and they are responsible for the strategic direction and policy of the charity. The Chief Executive has overall responsibility for ensuring that the charity delivers the services specified through the day-to-day operational management of the company, and individual supervision of the other members of the Executive Management Team.

**Employees and employment of disabled persons**
Pure Innovations recognises its role and responsibilities within the local community in identifying and removing those barriers which prevent disabled people from sharing equally in the rights, benefits, obligations, and opportunities to undertake meaningful employment. Pure Innovations actively encourages the employment of colleagues with a disability and is recognised as a Disability Confident Employer by the DWP. We have a strong track record in attracting and retaining people with a disability at all levels of the charity. We regularly make reasonable adjustments for new and existing colleagues to provide holistic support to enable them to fully participate in the workplace and fulfil their potential. At Pure Innovations, 11.5% of the current workforce identifies as having some form of disability. We believe this to be a conservative figure as some employees chose not to declare their disability or do not regard themselves as such.

Pure recognises that as a specialist employer in the local community it has the opportunity to achieve a significant impact on opportunities for disabled people via the development of its employment policy and promotion of work-related positive action initiatives. These help to counteract longstanding disadvantages in gaining access to work and remaining in employment should a person become disabled during their working lives.

Pure Innovations is committed to the creative use of existing resources and the development of imaginative initiatives including job tasters, job trials and job carving. This is enhanced by regular staff briefings and newsletters, team meetings, supervisions and an appraisal system which identifies training and development needs. Within the Pure group there is an exchange of good practice, staff attend disability awareness training and successful developments are promoted on our website and in our social media. Our vacancies are advertised concurrently, internally and externally and staff are encouraged to apply for promotion when they feel ready to do so. We have a succession policy in place which identifies and supports those we see as the potential future leaders of the charity.

**Employee involvement**
Involving all employees is fundamental to how the Company operates, with open communication at all levels. The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect them.

Employee involvement is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the concern plays a major role in maintaining and growing its position.

In the initial phase of an employee's employment, they attend a corporate induction process, included within that is a session on the company's values which underpins the company's approach to staff, volunteers and service users. They are as follows:

| | |
|---|---|
| Respectful ..... | Always treat people the way you would wish to be treated no matter what the situation. |
| Responsive ..... | By listening to others, we solve problems by finding solutions. |
| Aspirational ..... | Achieve the best possible outcomes by continually improving what we do. |
| Inclusive ..... | We are welcoming and involve all in what we do. |

**Pay policy for senior staff**
The pay of the Executive Management Team has been determined by the Board of Directors.

**Related parties and co-operation with other organisations**
None of our trustees receive remuneration or other benefit from their work with the charity.

We have a number of partnership links outside of the contractual relationships identified above, these partnership links are with a wide variety of organisations who we work in collaboration with. Details of the specific partnerships can be found on our website: www.pureinnovations.co.uk.

**Risk management**
A risk register has been prepared using Charity Commission guidance on the subject. These have been approved by the Board of Trustees and amended (where appropriate) to changes in the organisation and also in external factors. The risks are identified along with the potential impact and the steps to mitigate the risk. Each risk is then scored by multiplying the factors together, and those with a deemed high score are subject to review and action to monitor the major risks.

**Trustees' responsibilities in relation to the financial statements**
The charity trustees (who are also directors for the purpose of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees 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 assume that the company will continue in business.

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

The trustees 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 in governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**
Mitchell Charlesworth was appointed as auditor to the company in the past year and in accordance with Section 485 of the Companies Act 2006, a resolution proposing their re-appointment will be put forward to the next General Meeting.

**Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors is unaware; and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**By order of the Trustees**

**Trustee**

**Dated:** 29/11/21

## Independent Auditor's Report to the Trustees of Pure Innovations Limited
## Year ended 31 March 2021

### Opinion

We have audited the financial statements of Pure Innovations Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheet and Group Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as of 31 March 2021, and of the group's incoming resources and application of resources 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 the provisions available for small entities, in the circumstances as set out in note 22 to the financial statements 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 trustees' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and parent charity'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 trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with the laws and regulations, we considered the following:

**Audit response to risks identified**

- the nature of the sector, control environment and business performance.
- results of our enquiries of management about their own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to the identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of noncompliance. Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud and the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to the correct treatment of grant income, including the correct use of restricted funds and any grant income due to be repaid to funders as a result of financial or performance-based conditions imposed, not being achieved. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override and we identified risk in relation to the posting of unusual journals and the manipulation of accounting estimates.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Safeguarding, the Financial Reporting Standard applicable in the UK (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK (FRS 102), and the Charities Act 2011.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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

## Independent Auditor's Report to the Trustees of Pure Innovations Limited
## Year ended 31 March 2021

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth 29/11/2021

**Alison Buckley (Senior Statutory Auditor)**
**MITCHELL CHARLESWORTH LLP**
**Chartered Accountants**
**Statutory Auditor**
**3rd Floor**
**44 Peter Street**
**Manchester**
**M3 5GP**

**Date:**

Mitchell Charlesworth LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

# PURE INNOVATIONS LIMITED

## Consolidated Statement of Financial Activities (incorporating income and expenditure account)
## Current Year - Year ended 31 March 2021

| | Notes | Unrestricted Funds | Restricted Funds | Pension | Total Funds 2021 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income:** | | | | | |
| Donations and legacies | 6 | 8,309 | - | - | **8,309** |
| Job retention scheme grant | | 798,165 | - | - | **798,165** |
| Other trading income | 7 | - | - | - | **-** |
| Discontinued operations | 7 | 326,000 | - | - | **326,000** |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 8 | 5,908,745 | 502,581 | - | **6,411,326** |
| Investment Income | 9 | 2,353 | - | - | **2,353** |
| Discontinued operations | 9 | 3,891 | - | - | **3,891** |
| **Total income** | | 7,047,463 | 502,581 | - | **7,550,044** |
| **Expenditure:** | | | | | |
| *Expenditure on raising funds:* | | | | | |
| Commercial trading operation costs | 10 | - | - | - | **-** |
| Discontinued operations | 10 | 306,047 | - | - | **306,047** |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 11 | 5,796,405 | 496,156 | 161,000 | **6,453,561** |
| **Total expenditure** | | 6,102,452 | 496,156 | 161,000 | **6,759,608** |
| **Net incoming/(outgoing) resources before other recognised gains and losses** | | 945,011 | 6,425 | (161,000) | **790,436** |
| Loss on disposal of investment | | (16,279) | - | - | **(16,279)** |
| Actuarial losses on defined benefit pension scheme | | - | - | (2,386,000) | **(2,386,000)** |
| **Net movement in funds** | | 928,732 | 6,425 | (2,547,000) | **(1,611,843)** |
| **Net transfer between funds** | | (250) | 250 | - | **-** |
| Minority Interests | | (11,952) | - | - | **(11,952)** |
| Total funds brought forward | | 2,064,233 | 232,626 | (2,623,000) | **(326,141)** |
| **Total funds carried forward** | | 2,980,763 | 239,301 | (5,170,000) | **(1,949,936)** |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Consolidated Statement of Financial Activities (incorporating income and expenditure account)
## Prior Year - Year ended 31 March 2020

| | Notes | Unrestricted Funds | Restricted Funds | Pension | Total Funds 2020 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income:** | | | | | |
| Donations and legacies | 6 | 10,607 | - | - | **10,607** |
| Job retention scheme grant | | 8,239 | - | - | **8,239** |
| Other trading income | 7 | 556,584 | - | - | **556,584** |
| Discontinued operations | 7 | 2,664,004 | - | - | **2,664,004** |
| Income from charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 8 | 5,824,984 | 491,376 | - | **6,316,360** |
| Investment Income | 9 | 16,948 | - | - | **16,948** |
| Discontinued operations | 9 | 136 | - | - | **136** |
| **Total income** | | 9,081,502 | 491,376 | - | **9,572,878** |
| **Expenditure:** | | | | | |
| *Expenditure on raising funds:* | | | | | |
| Commercial trading operation costs | 10 | 543,692 | - | - | **543,692** |
| Discontinued operations | 10 | 2,622,735 | - | - | **2,622,735** |
| Expenditure on charitable activities: | | | | | |
| *Provision of care, employment, catering & other services* | 11 | 5,588,867 | 327,958 | 304,000 | **6,220,825** |
| **Total expenditure** | | 8,755,294 | 327,958 | 304,000 | **9,387,252** |
| **Net incoming/(outgoing) resources before other recognised gains and losses** | | **326,208** | **163,418** | **(304,000)** | **185,626** |
| Loss on disposal of investment | | (33,271) | - | - | **(33,271)** |
| Actuarial gains on defined benefit pension scheme | | - | - | 2,447,000 | **2,447,000** |
| **Net movement in funds** | | **292,937** | **163,418** | **2,143,000** | **2,599,355** |
| **Net transfer between funds** | | 3,955 | (3,955) | - | - |
| Minority Interests | | (33,004) | - | - | **(33,004)** |
| Total funds brought forward | | 1,800,345 | 73,163 | (4,766,000) | **(2,892,492)** |
| **Total funds carried forward** | | **2,064,233** | **232,626** | **(2,623,000)** | **(326,141)** |

The Statement of Financial Activities includes all gains and losses in the year.

# PURE INNOVATIONS LIMITED

## Consolidated Balance Sheet
## Year ended 31 March 2021

| | Notes | 2021 The Group £ | 2021 The Charity £ | 2020 The Group £ | 2020 The Charity £ |
|---|---|---|---|---|---|
| **Fixed Assets** | | | | | |
| Tangible assets | 17 | **380,410** | **365,806** | 388,418 | 374,124 |
| Investments | 18 | - | - | - | 1 |
| | | **380,410** | **365,806** | 388,418 | 374,125 |
| **Current assets** | | | | | |
| Stock | 20 | **21,225** | **21,225** | 32,433 | 32,433 |
| Debtors | 21 | **985,689** | **984,939** | 1,008,128 | 968,042 |
| Cash at bank and in hand | | **2,253,383** | **1,750,629** | 1,303,896 | 873,647 |
| | | **3,260,297** | **2,756,793** | 2,344,457 | 1,874,122 |
| **Creditors: amounts falling due within one year** | 22 | **420,643** | **402,426** | 431,690 | 370,927 |
| Minority Interests | | - | - | 4,326 | - |
| **Net current assets** | | **2,839,654** | **2,354,367** | 1,908,441 | 1,503,195 |
| **Total assets less current liabilities** | | **3,220,064** | **2,720,173** | 2,296,859 | 1,877,320 |
| Defined benefit pension scheme liability | 24 | **(5,170,000)** | **(5,170,000)** | (2,623,000) | (2,623,000) |
| **Net Assets** | | **(1,949,936)** | **(2,449,827)** | (326,141) | (745,680) |
| **Funds** | | | | | |
| Unrestricted funds: | | | | | |
| General | 25 | **2,980,763** | **2,720,713** | 2,064,233 | 1,877,320 |
| Pension fund reserve | 25 | **(5,170,000)** | **(5,170,000)** | (2,623,000) | (2,623,000) |
| | | **(2,189,237)** | **(2,449,287)** | (558,767) | (745,680) |
| Restricted funds | 26 | **239,301** | **-** | 232,626 | - |
| | | **(1,949,936)** | **(2,449,287)** | (326,141) | (745,680) |

**These financial statements were approved by the members of the committee on** 29/11/21 **and are signed on their behalf by:**

**A Allman**
**Trustee**

**Company Registration No. 5241249 (England and Wales)**

# PURE INNOVATIONS LIMITED

## Consolidated Statement of Cash Flows
## Year ended 31 March 2021

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash generated in operating activities | 28 | | **1,117,926** | | 371,061 |
| Tax paid | | | **-** | | (5,157) |
| | | | **1,117,926** | | 365,904 |
| **Cash used in investing activities** | | | | | |
| Purchase of tangible fixed assets | | **(168,317)** | | (228,518) | |
| Proceeds on disposal of subsidiary | | **1** | | 1 | |
| Interest income | | **2,353** | | 16,948 | |
| **Net cash used in investing activities** | | | **(165,963)** | | (211,569) |
| **Net cash outflow from disposal of subsidiary** | 29 | | **(2,476)** | | (508,953) |
| **Net increase/(decrease) in cash and cash equivalents** | | | **949,487** | | (354,618) |
| Cash and cash equivalents at beginning of year | | | **1,303,896** | | 1,658,514 |
| **Cash and cash equivalents at end of year** | | | **2,253,383** | | 1,303,896 |

## 1. Company information

Pure Innovations Limited is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is Unit 5, Station View, Hazel Grove, Stockport, SK7 5ER.

## 2. 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) (effective 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.

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

The financial statements consolidate the results of the charity and its subsidiaries: Salvere Social Enterprise CIC has been consolidated up to the date of sale in November 2020; Balance (Support) CIC has been consolidated in the comparative figures; and Pure Insight 1628, a separately registered charity which is considered a charity within a charity due to the control and influence of Pure Innovations Limited. The results are consolidated on a on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented as the charity has taken advantage of the exemption afforded under Section 408 of the Companies Act 2006.

Pure Innovations Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### Going concern

The Trustees have assessed whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. Whilst the balance sheet shows negative total funds carried forward of £2,892,492, the general reserves are strong, and the pension reserve does not affect the ability of Pure Innovations Limited to continue its operations.

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

Having regard to these matters the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

## 2. Accounting Policies (continued)

### Income

Income is the amount derived from the provision of goods/services and stated after trade discounts, other sales taxes and VAT where applicable.

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

Investment income is recognised on a receivable basis.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the delivery of its activities and services provided for its beneficiaries and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis as detailed in the accounts.
- Other expenditure represents those items not falling into any other heading.

### Funds structure

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 26 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectivise of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

### Volunteers

The value of services provided by volunteers is not included in the financial statements.

### Donated goods, services, and facilities

On any occasion where goods and services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. Any goods given to the charity and held for stock are only recognised in the year that the goods are distributed or used.

## 2. Accounting Policies (continued)

### Tangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---|---|---|
| IT equipment | - | 33% of cost |
| Catering equipment | - | 25% of cost |
| Fixtures & fittings | - | 25/33% of cost |
| Leasehold improvements | - | 10% of cost |
| Motor vehicles | - | 25% of cost |

### Stocks

Stock is included at the lower of cost or net realisable value.

### Fixed asset investments

Investments are stated at cost as the investment relates solely to the owned share capital of its trading subsidiaries Salvere Social Enterprise CIC and Balance (Support) CIC.

### Pensions

The company operates three pension schemes for employees.

Employees of Pure Innovations Limited have been eligible to join the Greater Manchester Pension Fund, which is a defined benefit scheme. It is funded by contributions from employees and the Company as an employer. The assets of the scheme are held separately in a fund administered for the benefit of Local Authority employees and those other scheduled bodies.

Employees of Balance (Support) CIC are members of the Royal Borough of Kensington scheme. The scheme is a multi-employer scheme, where assets are non-segregated for investment purposes and benefits are paid out of total assets. It is not possible to identify a reasonable and consistent basis of the share of the assets and liabilities belonging to the individual participating employers. This pension scheme is therefore treated as a defined contribution scheme and the amount charged represents the contributions payable to the scheme in respect of the accounting period.

Following auto enrolment, the charity also operates a defined contribution pension scheme operated by NEST. The assets of the scheme are held separately from those of the charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

### Debtors

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

### Cash at bank and in hand

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

## 2. Accounting Policies (continued)

### Creditors and provisions

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount after allowing for any trade discounts due.

### Financial instruments

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

## 3. Legal status of the Charity

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 8 (2020: 5).

## 4. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 5. Financial performance of the charity

The consolidated statement of financial activities includes the results of the trading subsidiaries Salvere Social Enterprise CIC and Balance (Support) CIC as well as the charity Pure Insight 1628. The summary performance of the charity alone is.

| | **2021** | 2020 |
|---|---|---|
| | **£** | £ |
| Income | **6,569,554** | 5,735,720 |
| Expenditure on charitable activities | **(5,887,702)** | (5,839,633) |
| Net expenditure | **681,852** | (103,913) |
| Actuarial (losses) / gains on defined benefit pension scheme | **(2,386,000)** | 2,447,000 |
| Net movement in funds | **(1,704,148)** | 2,343,087 |
| Total funds brought forward | **(745,680)** | (3,088,767) |
| Total funds carried forward | **(2,449,828)** | (745,680) |

| 6. Donations and legacies | Unrestricted Funds £ | Restricted Funds £ | **Total Funds 2021 £** | Unrestricted Funds £ | Restricted Funds £ | **Total Funds 2020** £ |
|---|---|---|---|---|---|---|
| Appeals & donations | 8,309 | - | **8,309** | 10,607 | - | **10,607** |
| | 8,309 | - | **8,309** | 10,607 | - | **10,607** |

| 7. Other trading income | Unrestricted Funds £ | Restricted Funds £ | **Total Funds 2021 £** | Unrestricted Funds £ | Restricted Funds £ | **Total Funds 2020** £ |
|---|---|---|---|---|---|---|
| Commercial trading operations: | | | | | | |
| Care services | 324,934 | - | **324,934** | 3,034,214 | - | **3,034,214** |
| Other services | 1,066 | - | **1,066** | 185,450 | - | **185,450** |
| | 326,000 | - | **326,000** | 3,219,664 | - | **3,219,664** |
| Tuck Shop income | - | - | **-** | 924 | - | **924** |
| | 326,000 | - | **326,000** | 3,220,588 | - | **3,220,588** |

| 8. Income from charitable activities | Unrestricted Funds £ | Restricted Funds £ | **Total Funds 2021 £** | Unrestricted Funds £ | Restricted Funds £ | **Total Funds 2020** £ |
|---|---|---|---|---|---|---|
| Care Services | 2,610,252 | 502,581 | **3,112,833** | 2,594,434 | 491,376 | 3,085,810 |
| Supported Employment | 2,109,213 | - | **2,109,213** | 2,542,291 | - | 2,542,291 |
| Catering | 690,635 | - | **690,635** | 536,462 | - | 536,462 |
| Other activities | 498,645 | - | **498,645** | 151,797 | - | 151,797 |
| | 5,908,745 | 502,581 | **6,411,326** | 5,824,984 | 491,376 | 6,316,360 |

| 9. Investment income | Unrestricted Funds £ | **Total Funds 2021 £** | Unrestricted Funds £ | **Total Funds 2020** £ |
|---|---|---|---|---|
| Bank interest received | 6,244 | **6,244** | 17,084 | 17,084 |

The investment income arises from interest bearing deposit accounts.

| 10. Commercial trading costs | Unrestricted Funds £ | Restricted Funds £ | **Total Funds 2021 £** | Unrestricted Funds £ | Restricted Funds £ | **Total Funds 2020** £ |
|---|---|---|---|---|---|---|
| Commercial trading operations: | | | | | | |
| Payroll costs | 284,525 | - | **284,525** | 2,629,196 | - | **2,629,196** |
| Operational costs | 14,381 | - | **14,381** | 475,810 | - | **475,810** |
| Professional charges | 7,141 | - | **7,141** | 46,318 | - | **46,318** |
| Marketing costs | - | - | **-** | (885) | - | **(885)** |
| Taxation | - | - | **-** | 15,988 | - | **15,988** |
| | 306,047 | - | **306,047** | 3,166,427 | - | **3,166,427** |

**11. Analysis of expenditure on charitable activities – current year**

| | **Care Services £** | **Employment Support £** | **Catering £** | **Other Activities £** | **Insight 1628 £** | **Total 2021** £ |
|---|---|---|---|---|---|---|
| Payroll, and wage subsidy costs | 1,408,146 | 1,876,754 | 455,864 | 166,281 | - | **3,907,045** |
| Pension service cost | 72,386 | 60,864 | 20,636 | 7,114 | - | **161,000** |
| Cost of sales & kitchen equipment | 2,738 | - | 264,334 | - | - | **267,072** |
| Premises costs | 142,485 | - | 40,517 | 474 | - | **183,476** |
| General administration | 67,778 | 14,565 | 9,191 | 575 | - | **92,109** |
| Travel & subsistence | 40,759 | 12,563 | 1,255 | 210 | - | **54,787** |
| Equipment | 10,254 | 343 | 5,765 | - | - | **16,362** |
| Depreciation | 16,894 | - | - | - | - | **16,894** |
| Pure Insight costs | - | | - | - | 565,860 | **565,860** |
| Professional inc IT | 1,037 | 516 | 12,771 | - | - | **14,324** |
| Marketing | - | - | 45 | - | - | **45** |
| Support costs (note 12) | 523,801 | 440,427 | 149,326 | 51,479 | - | **1,165,033** |
| Governance | 4,295 | 3,612 | 1,225 | 422 | - | **9,554** |
| | 2,290,573 | 2,409,644 | 960,929 | 226,555 | 565,860 | **6,453,561** |

Expenditure on charitable activities was £6,453,561 (2020: £6,220,825) of which £5,957,405 (2020: £5,892,867) was unrestricted and £496,156 (2020: £327,958) was restricted.

## 11. Analysis of expenditure on charitable activities – prior year

| | Care Services £ | Employment Support £ | Catering £ | Other Activities £ | Insight 1628 £ | Total 2020 £ |
|---|---|---|---|---|---|---|
| Payroll, and wage subsidy costs | 1,418,114 | 1,813,061 | 487,611 | - | - | **3,718,786** |
| Pension service cost | 121,600 | 142,880 | 39,520 | - | - | **304,000** |
| Cost of sales & kitchen equipment | 8,689 | 334 | 263,440 | - | - | **272,463** |
| Premises costs | 135,361 | 2,078 | 113,663 | - | - | **251,102** |
| General administration | 34,206 | 25,612 | 12,925 | - | - | **72,743** |
| Travel & subsistence | 34,598 | 56,896 | 1,345 | - | - | **92,839** |
| Equipment | 32,381 | 2,942 | 15,880 | - | - | **51,203** |
| Depreciation | 16,892 | - | - | - | - | **16,892** |
| Pure Insight costs | - | - | - | - | 381,192 | **381,192** |
| Professional inc IT | 377 | 16,091 | 3,686 | - | - | **20,154** |
| Support costs (note 12) | 448,256 | 456,916 | 96,414 | 27,789 | - | **1,029,375** |
| Governance | 4,388 | 4,473 | 944 | 271 | - | **10,076** |
| | 2,254,862 | 2,521,283 | 1,035,428 | 28,060 | 381,192 | **6,220,825** |

## 12. Analysis of support costs – current year

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these along with the remaining support costs, are attributed to the key charitable activities. These are allocated on a basis consistent with the income derived from the individual activities. Allocation between individual activities under any other basis is considered impracticable.

| | Care Services | Employment Support | Catering | Other Activities | Total 2021 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Central support costs:* | | | | | |
| Payroll, and wage subsidy costs | 273,032 | 229,574 | 77,837 | 26,833 | **607,276** |
| Cost of sales & kitchen equipment | 2,958 | 2,488 | 844 | 291 | **6,581** |
| Premises costs | 61,146 | 51,412 | 17,431 | 6,009 | **135,998** |
| General administration | 8,864 | 7,452 | 2,527 | 871 | **19,714** |
| Travel & subsistence | 1,964 | 1,652 | 560 | 193 | **4,369** |
| Equipment | 1,983 | 1,668 | 565 | 195 | **4,411** |
| Depreciation | 64,413 | 54,161 | 18,363 | 6,330 | **143,267** |
| Professional inc IT | 59,047 | 49,648 | 16,833 | 5,804 | **131,332** |
| Marketing | 6,765 | 5,688 | 1,929 | 665 | **15,047** |
| Irrecoverable VAT | 27,351 | 22,998 | 7,797 | 2,688 | **60,834** |
| Re-organisation costs | 16,278 | 13,686 | 4,640 | 1,600 | **36,204** |
| | 523,801 | 440,427 | 149,326 | 51,479 | **1,165,033** |
| Governance costs: | | | | | |
| Audit | 4,295 | 3,612 | 1,225 | 422 | **9,554** |
| | 528,096 | 444,039 | 150,551 | 51,901 | **1,174,587** |

## 12. Analysis of support costs – prior year

| | Care Services | Employment Support | Catering | Other Activities | Total 2020 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Central support costs:* | | | | | |
| Payroll, and wage subsidy costs | 236,821 | 241,396 | 50,938 | 14,682 | **543,837** |
| Cost of sales & kitchen equipment | 98 | 100 | 21 | 6 | **225** |
| Premises costs | 26,637 | 27,151 | 5,729 | 1,651 | **61,168** |
| General administration | 12,056 | 12,289 | 2,593 | 747 | **27,685** |
| Travel & subsistence | 3,872 | 3,947 | 833 | 240 | **8,892** |
| Depreciation | 49,124 | 50,073 | 10,566 | 3,045 | **112,808** |
| Equipment | 639 | 651 | 137 | 40 | **1,467** |
| Professional inc IT | 70,239 | 71,596 | 15,108 | 4,354 | **161,297** |
| Marketing | 12,596 | 12,839 | 2,709 | 781 | **28,925** |
| Irrecoverable VAT | 24,712 | 25,190 | 5,315 | 1,532 | **56,749** |
| Re-organisation costs | 11,462 | 11,684 | 2,465 | 711 | **26,322** |
| | 448,256 | 456,916 | 96,414 | 27,789 | **1,029,375** |
| Governance costs: | | | | | |
| Audit | 4,388 | 4,473 | 944 | 271 | **10,076** |
| | 452,644 | 461,389 | 97,358 | 28,060 | **1,039,451** |

## 13. Net income/(expenditure) for the year

| | | 2021 | 2020 |
|---|---|---|---|
| | | £ | £ |
| This is stated after charging: | | | |
| Depreciation | | **160,161** | 129,942 |
| Auditors' fees | - for audit services | **10,000** | 9,250 |
| | - for consolidation of the financial statements | **1,750** | 750 |

## 14. Analysis of staff costs, trustees remuneration and the cost of key management personnel

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Wages, salaries, and other staffing costs | **4,308,956** | 6,769,086 |
| Social security costs | **308,582** | 421,954 |
| Pension costs (including service cost) | **370,329** | 548,616 |
| | **4,987,867** | 7,739,656 |

## 14. Analysis of staff costs, trustees' remuneration and the cost of key management personnel (continued)

Pension funding within the Statement of Financial Activities includes £161,000 (2020: £304,000) in relation to the current service cost as included in the pension scheme note.

One employee (2020: one) had emoluments in excess of £60,000 (2020: £60,000). These employees fell into the following pay bands:

| | 2021<br>No | 2020<br>No |
|---|---|---|
| £60,000 - £69,999 | 1 | 1 |
| | 1 | 1 |

The key management personnel of the charity comprise the trustees and the Executive Management Team. The total company employee benefits of the key management personnel of the Trust were £232,502 (2020: £200,756).

In addition, 200 (2020: 240) volunteers have given their time in the period, no value has been attributed to volunteer time.

## 15. Staff numbers

The average monthly number of full time employed by the charity and its subsidiaries during the year was:

| 2021<br>No | 2020<br>No |
|---|---|
| 223 | 358 |

## 16. Corporation tax

As a charity, the company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent they are applied to its charitable objectives. No corporation tax charge for the period was incurred by any of the trading subsidiaries and on this basis no provision has been made for corporation tax.

17. Tangible fixed assets

| The Charity | IT Systems £ | Catering Equipment £ | Fixtures & Fittings £ | Leasehold Improvements £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1st April 2020 | 152,142 | 265,940 | 74,101 | 34,379 | 169,449 | 696,011 |
| Additions | 46,949 | 17,177 | 12,234 | 44,956 | 39,283 | 160,599 |
| Disposals | (10,678) | (23,951) | (28,159) | (28,314) | - | (91,102) |
| **At 31 March 2021** | **188,413** | **259,166** | **58,176** | **51,021** | **208,732** | **765,508** |
| **Depreciation** | | | | | | |
| At 1st April 2020 | 73,605 | 82,017 | 57,735 | 16,461 | 92,069 | 321,887 |
| Charge for the year | 42,286 | 50,004 | 10,897 | 11,685 | 45,289 | 160,161 |
| Eliminated on disposal | (9,944) | (23,951) | (28,159) | (20,292) | - | (82,346) |
| **At 31st March 2021** | **105,947** | **108,070** | **40,473** | **7,854** | **137,358** | **399,702** |
| **Net book value** | | | | | | |
| **At 31st March 2021** | **82,466** | **151,096** | **17,703** | **43,167** | **71,374** | **365,806** |
| At 31st March 2020 | 78,537 | 183,923 | 16,366 | 17,918 | 77,380 | 374,124 |

| The Group | IT Systems £ | Catering Equipment £ | Fixtures & Fittings £ | Leasehold Improvements £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1st April 2020 | 160,724 | 265,940 | 74,101 | 34,379 | 179,399 | 714,543 |
| Additions | 51,903 | 17,177 | 14,998 | 44,956 | 39,283 | 168,317 |
| Disposals | (10,678) | (23,951) | (28,159) | (28,314) | - | (91,102) |
| **At 31 March 2021** | **201,949** | **259,166** | **60,940** | **51,021** | **218,682** | **791,758** |
| **Depreciation** | | | | | | |
| At 1st April 2020 | 77,014 | 82,017 | 57,735 | 16,461 | 92,898 | 326,125 |
| Charge for the year | 46,101 | 50,004 | 11,173 | 11,685 | 48,606 | 167,569 |
| Eliminated on disposal | (9,944) | (23,951) | (28,159) | (20,292) | - | (82,346) |
| **At 31st March 2021** | **113,171** | **108,070** | **40,749** | **7,854** | **141,504** | **411,348** |
| **Net book value** | | | | | | |
| **At 31st March 2021** | **88,778** | **151,096** | **20,191** | **43,167** | **77,178** | **380,410** |
| At 31st March 2020 | 81,129 | 183,021 | 19,851 | 17,918 | 86,499 | 388,418 |

## 18. Investments

Equity investment in group undertakings:

| | The Group | The Charity | The Group | The Charity |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | £ | £ | £ | £ |
| Market value at 31 March 2021 | - | - | - | 1 |
| Historical cost at 31 March 2021 | - | - | - | 1 |

## 19. Subsidiaries

**Salvere Social Enterprise (CIC)**

The charity disposed of its share in Salvere Social Enterprise CIC on 6 November 2020 for £1. The loss on disposal has been attributed in the Group Statement of Financial Activities.

## 20. Stock

| | The Group | The Charity | The Group | The Charity |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | £ | £ | £ | £ |
| Goods for resale | **21,225** | **21,225** | 32,433 | 32,433 |
| | **21,225** | **21,225** | 32,433 | 32,433 |

## 21. Debtors

| | The Group | The Charity | The Group | The Charity |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | £ | £ | £ | £ |
| Trade debtors | **629,316** | **629,316** | 529,654 | 464,113 |
| Amounts owed by group undertakings in which the charity has a participating interest | - | - | - | 50,320 |
| Other debtors and prepayments | **356,373** | **355,623** | 478,474 | 453,609 |
| | **985,689** | **984,939** | 1,008,128 | 968,042 |

## 22. Creditors: amounts falling due within one year

| | The Group | The Charity | The Group | The Charity |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | £ | £ | £ | £ |
| Trade creditors | **117,975** | **117,975** | 62,994 | 62,937 |
| Other taxes and social security | **68,791** | **62,807** | 80,724 | 43,337 |
| Other creditors and accruals | **233,877** | **221,644** | 287,972 | 264,653 |
| | **420,643** | **402,426** | 431,690 | 370,927 |

## 23. Commitments under operating leases

The company leases its main business premises, several café premises and other equipment under formal operating leases. The lease agreements terminate between 2021 and 2026. At 31 March 2021 the company had annual commitments under non-cancellable operating leases as set out below.

| | 2021 | 2020 |
|---|---|---|
| **Land & buildings** | **£** | £ |
| Operating leases which expire: | | |
| Within 1 year | **198,517** | 169,396 |
| Within 2 to 5 years | **549,931** | 342,111 |
| | **748,448** | 511,507 |

## 24. Retirement benefit schemes

### Defined contribution scheme - NEST

In recent years new employees of the group are only able to join the National Employment Savings Trust (NEST) pension scheme, under current legislation employees not in GMPF are automatically enrolled into NEST unless they have exercised their right to opt out of scheme membership; This is a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The employee and employer contributions are 3% for employees and 5% for employers in 2021. Employers contributions of £106,342 (2020: £99,521) have been paid to this scheme during the period.

### Defined benefit schemes - GMPF

The company operates a defined benefit scheme for employees. The scheme is an admitted body to the Greater Manchester Pension Fund. The GMPF scheme is a local government pension scheme and is administered by Tameside Metropolitan Borough in accordance with the Local Government Pension Scheme regulations. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the statement of financial activities so as to spread the costs of pensions over the service lives of the employees. Variations from the regular costs are spread over the average expected remaining working lives of current members of the scheme.

Members of the scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution Scheme, each of which is funded by the employee alone.

Members of the GMPF accrue an indexed linked pension of 1/80$^{th}$ of the best of the last 3 years pensionable service for each year of service. Additional benefits include a lump sum on retirement, continued (reduced) pensions for a spouse on death of a member and benefits for dependents on death or permanent incapacity. service.

The latest formal valuation of the scheme for the purposes of setting employers' actual contributions was on 31 March 2018.

Contributions to the scheme have been made during 2018-19 at rates that have been recommended by GMPF actuarial advisors. These are:

Employee - Banded rate based on pensionable earnings between 5.5% and 9.9%

Employers - 19.5% of pensionable earnings

When the company joined GMPF on 1 July 2005 there was a transfer of employees from Stockport MBC. The transfer of pension arrangements was on a fully funded basis i.e. there was no transfer of deficit in the Fund attributable to the transferring employees (on the ongoing valuation basis) from Stockport MBC. It should be noted that the year-end valuation calculated under FRS17, showed a variation from the initial valuation which was made using a differing accounting convention.

The valuation in these financial statements assumes a notional re-allocation of assets in the Fund from Stockport MBC to Pure Innovations Limited on this basis.

## 24. Retirement benefit schemes (continued)

### Financial Assumptions

| The key financial assumptions used are: | 2021 % pa | 2020 % pa |
|---|---|---|
| Inflation/pension increases | **2.80%** | 1.80% |
| Salary Increases | **3.55%** | 2.60% |
| Discount rate | **2.05%** | 2.30% |

| Mortality Assumptions | 2021 Years | | 2020 Years | |
|---|---|---|---|---|
| The period of pension drawdown: | **Current** | **Future** | Current | Future |
| Male | **20.5** | **21.9** | 20.5 | 23.1 |
| Female | **23.3** | **25.3** | 23.1 | 25.0 |

### Key assumptions

*Life expectancy*
Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 with a 0% weighting of 2020 data, standard smoothing (sk7), initial adjustments of 0.5% and a long-term rate of improvement of 1.5% pa.

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 80% of the maximum tax-free cash for post-April 2008 service.

*Discount rates*
In accordance with FRS 102 the discount rate used to place a value on the liabilities should be determined by reference to market yields on high quality corporate bonds at the reporting date. In addition, the currency and term of the high-quality corporate bonds used to set the discount rate should be consistent with the currency and term of the obligations.

Government bond yield curves are updated and available on a daily basis from the Bank of England. It is therefore relatively easy to identify a spot yield on Government bonds at any duration and at any date. Unfortunately, a similarly accessible corporate bond yield curve is not so readily available.

The discount rate should reflect the 'term' of the benefit obligation. 'Term' has been interpreted as the weighted average duration of the benefit obligation. This is broadly defined as 'the weighted average time until payment of all expected future discounted cashflows, determined based on memberships and the financial and demographic assumptions at a particular time' The shorter the duration, the more 'mature' the employer.

*Retail Prices Inflation*
This assumption is typically derived from yields available on fixed interest and index linked Government bonds, and should be consistent with the derivation of the discount rate.

*Pension increases*
The pension increase assumption is set in line with the Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist. Therefore, it is necessary to estimate the long-term gap between RPI and CPI in order to derive a CPI assumption for accounting purposes.

*Salary growth*
The assumption is generally consistent with the most recent actuarial valuation. An additional allowance for promotional salary increases is also made.

| 24. Retirement benefit schemes (continued) | Scheme Assets £ | Scheme Liabilities £ | Net Pension Liability £ |
|---|---|---|---|
| ***Shown in the Statement of Financial Activities*** | | | |
| *Service cost* | | | |
| Current service cost | - | (227,000) | (227,000) |
| **Total service costs** | | (227,000) | (227,000) |
| *Net Interest* | | | |
| Interest income on plan assets | 274,000 | - | 274,000 |
| Interest cost on defined benefit obligation | - | (335,000) | (335,000) |
| **Total net interest** | 274,000 | (335,000) | (61,000) |
| *Cashflows* | | | |
| Employer's contributions | 127,000 | - | 127,000 |
| Members' contributions | 42,000 | (42,000) | - |
| Benefits paid | (173,000) | 173,000 | - |
| **Total cashflows** | (4,000) | 131,000 | 127,000 |
| **Total costs in Statement of Financial Activities** | 270,000 | (431,000) | (161,000) |
| Opening position at 1 April 2020 | 11,912,000 | (14,535,000) | (2,623,000) |
| Changes in financial assumptions | - | (4,720,000) | (4,720,000) |
| Changes in demographic assumptions | - | (89,000) | (89,000) |
| Other experience | - | 151,000 | 151,000 |
| Return on assets excluding net interest | 2,272,000 | - | 2,272,000 |
| **Total remeasurements recognised in OCI** | 2,272,000 | (4,658,000) | (2,386,000) |
| **Closing position at 31 March 2021** | 14,454,000 | (19,624,000) | (5,170,000) |

**24. Retirement benefit schemes (continued)**

| | Scheme Assets £ | Scheme Liabilities £ | Net Pension Liability £ |
|---|---|---|---|
| | | **2021** | 2020 |
| | | **£** | £ |
| *Fair value of plan assets at the reporting period end* | | | |
| Equity instruments | | **10,406,880** | 8,219,280 |
| Debt instruments | | **1,734,480** | 1,786,800 |
| Property | | **1,011,780** | 833,840 |
| Cash | | **1,300,860** | 1,072,080 |
| | | **14,454,000** | 11,912,000 |

| | | **2021** | 2020 |
|---|---|---|---|
| | | **£** | £ |
| *The defined benefit obligations arise from plans funded as follows:* | | | |
| Wholly unfunded obligations | | **19,624,000** | 14,535,000 |
| Wholly or partly funded obligations | | **-** | - |
| | | **19,624,000** | 14,535,000 |

**25. Unrestricted Funds – current year**

| The Charity | Balance at 1 April 2020 £ | Incoming resources £ | Resources expended £ | Actuarial Gains/ (losses) £ | Transfers £ | Balance at 31 March 2021 £ |
|---|---|---|---|---|---|---|
| **General fund** | 1,877,320 | **6,569,554** | **(5,726,701)** | **-** | **-** | **2,720,173** |
| Pension fund reserve | (2,623,000) | - | **(161,000)** | **(2,386,000)** | - | **(5,170,000)** |
| **Total general funds** | **(745,680)** | **6,569,554** | **(5,887,701)** | **(2,386,000)** | **-** | **(2,449,827)** |

| The Group | Balance at 1 April 2020 £ | Incoming resources £ | Resources expended £ | Actuarial Gains/ (losses) £ | Transfers £ | Balance at 31 March 2021 £ |
|---|---|---|---|---|---|---|
| **General fund** | 2,068,559 | **7,047,463** | **(6,135,009)** | **-** | **(250)** | **2,980,763** |
| Minority interests | (4,326) | **4,326** | - | - | - | - |
| Pension fund reserve | (2,623,000) | - | **(161,000)** | **(2,386,000)** | | **(5,170,000)** |
| **Total general funds** | **(558,767)** | **7,051,789** | **(6,296,009)** | **(2,386,000)** | **(250)** | **(2,189,237)** |

**Unrestricted Funds – prior year**

| The Charity | Balance at 1 April 2019 £ | Incoming resources £ | Resources expended £ | Actuarial Gains/ (losses) £ | Transfers £ | Balance at 31 March 2020 £ |
|---|---|---|---|---|---|---|
| **General fund** | 1,677,233 | 5,735,722 | (5,535,635) | - | - | 1,877,320 |
| Pension fund reserve | (4,766,000) | - | (304,000) | 2,447,000 | - | (2,623,000) |
| **Total general funds** | **(3,088,767)** | **5,735,722** | **(5,839,635)** | **2,447,000** | **-** | **(745,680)** |

| The Group | Balance at 1 April 2019 £ | Incoming resources £ | Resources expended £ | Actuarial Gains/ (losses) £ | Transfers £ | Balance at 31 March 2020 £ |
|---|---|---|---|---|---|---|
| **General fund** | 1,803,634 | 9,081,502 | (8,820,502) | - | 3,955 | 2,068,559 |
| Minority interests | (3,289) | - | (1,067) | - | - | (4,326) |
| Pension fund reserve | (4,766,000) | - | (304,000) | 2,447,000 | - | (2,623,000) |
| **Total general funds** | **(2,965.655)** | **9,081,502** | **(9,125,569)** | **2,447,000** | **3,955** | **(558,767)** |

**26. Restricted funds – current year**

| The Charity & the Group | Balance at 1 April 2020 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2021 £ |
|---|---|---|---|---|---|
| Big Lottery Fund - Reaching Communities | - | 54,295 | (54,295) | - | - |
| Children in Need | - | - | - | - | - |
| Christmas Dinner | 6,903 | 6,841 | (5,387) | - | 8,357 |
| Cheshire East | - | - | - | - | - |
| Steve Morgan Foundation | - | 24,720 | (24,970) | 250 | - |
| Healthy Young Minds | 25,066 | 49,861 | (58,963) | - | 15,964 |
| Williams Foundation | 2,206 | 3,123 | (3,744) | - | 1,585 |
| Care Conference | 8,288 | - | - | - | 8,288 |
| Trafford Housing Trust | 4,474 | 53,189 | (50,376) | - | 7,287 |
| The Henry Smith Charity | 18,153 | 39,100 | (42,838) | - | 14,415 |
| COVID-19 Relief | 8,416 | 71,797 | (53,602) | - | 26,611 |
| Big Lottery Fund - Reaching Communities 2 | 159,120 | 175,836 | (201,481) | - | 133,475 |
| Spark Foundation | - | 600 | (500) | - | 100 |
| Warrington | - | 18,219 | - | - | 18,219 |
| Trafford Extension | - | 5,000 | - | - | 5,000 |
| **Total restricted funds** | **232,626** | **502,581** | **(496,156)** | **250** | **239,301** |

| Name of restricted fund | Description, nature, and purposes of the fund |
|---|---|
| Big Lottery Fund - Reaching Communities | To scale our successful mentoring programme into two new local authority areas and secure funding for the service in the longer term.<br><br>Additional lottery funding has been secured to offer services in another authority borough (Salford), and to provide additional support not only there, but in other areas in which we operate. |
| Children in Need | To extend our mentoring offer in Stockport and include a bespoke offer to parents. |
| Christmas Dinner | To provide an extensive Christmas Dinner for care leavers across the areas we are delivering services to. |
| Cheshire East | To develop peer support group, training and supervising of mentors in the Borough of Cheshire East and also flexible mental health provision in that area. |
| Steve Morgan Foundation | A project based in Crewe providing a service to Care Leavers in that area. |
| Healthy Young Minds | This is a project which aims to improve the mental state of the Care Leaver clients through use of psychological and wellbeing workers. |
| Williams Foundation | This enables us to help fund a small package of household goods for clients moving into a property for the first time. |
| Beacon Counselling | This enables us to provide a psychological and wellbeing service to clients in the Stockport area. |

**26. Restricted funds – current year (cont'd)**

**The Charity & the Group**

| Name of restricted fund | Description, nature and purposes of the fund |
|---|---|
| Care Conference | This was used to fund a national care conference in Liverpool in April 2019, and will be used for other similar purposes in the future. |
| Trafford Housing Trust | This is providing a service to care leavers in the Trafford area enabling them to move into accommodation as part of a move into a settled life |
| The Henry Smith Charity | This fund is being used to fund a Psychological Wellbeing Worker to provide counselling, emotional support and life skills training to young people aged between 16-28, who are leaving care in Stockport. |
| COVID-19 Relief | This fund is being used to provide equipment and other necessities for our clients to support them through the pandemic and be in a better state of mind and place, than would otherwise be the case. |
| Spark Foundation | This enables us to help cover some expenses for clients when they are moving home. |
| Warrington | To support the range of services we are delivering in that borough, in addition to the local council contribution. |
| Trafford Extension | This allows us to cover the costs of providing a service in Trafford until such time as the contracts in that borough come to an end. |

| **Restricted funds – prior year**<br>**The Charity & the Group** | Balance at 1 April 2020<br>£ | **Incoming resources**<br>£ | **Resources expended**<br>£ | **Transfers**<br>£ | **Balance at 31 March 2021**<br>£ |
|---|---|---|---|---|---|
| Big Lottery Fund - Reaching Communities | - | 71,495 | (71,495) | - | - |
| Children in Need | - | 4,051 | (4,051) | - | - |
| Christmas Dinner | 3,749 | 7,456 | (3,803) | (499) | 6,903 |
| Cheshire East | 9,248 | 2,000 | (11,242) | (6) | - |
| Steve Morgan | 42 | 28,088 | (29,168) | 1,038 | - |
| Healthy Young Minds | 24,959 | 52,250 | (50,143) | (2,000) | 25,066 |
| Williams Foundation | 2,850 | 3,250 | (3,894) | - | 2,206 |
| Beacon Counselling | 11,980 | - | (11,980) | - | - |
| Care Conference | 20,335 | 2,936 | (12,495) | (2,488) | 8,288 |
| Trafford Housing Trust | - | 50,000 | (45,526) | - | 4,474 |
| The Henry Smith Charity | - | 39,600 | (21,447) | - | 18,153 |
| COVID-19 Relief | - | 9,414 | (998) | - | 8,416 |
| Big Lottery Fund - Reaching Communities 2 | - | 220,836 | (61,716) | - | 159,120 |
| **Total restricted funds** | **73,163** | **491,376** | **(327,958)** | **(3,955)** | **232.626** |

27. **Analysis of assets between funds – current year**

| The Charity | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | 365,806 | - | - | **365,806** |
| Cash at bank and in hand | 1,750,629 | - | - | **1,750,629** |
| Other net current assets | 604,278 | - | - | **604,278** |
| Defined benefit pension liability | - | (5,170,000) | - | **(5,170,000)** |
| | 2,720,713 | (5,170,000) | - | **(2,449,287)** |

| The Group | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | 380,410 | | | **380,410** |
| Cash at bank and in hand | 2,253,383 | | | **2,253,383** |
| Other net current assets | 346,970 | - | 239,301 | **586,271** |
| Defined benefit pension liability | - | (5,170,000) | - | **(5,170,000)** |
| | 2,980,763 | (5,170,000) | 239,301 | **(1,949,936)** |

**Analysis of assets between funds – prior year**

| The Charity | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | 374,124 | - | - | **374,124** |
| Investments | 1 | - | - | **1** |
| Cash at bank and in hand | 873,647 | - | - | **873,647** |
| Other net current assets | 629,548 | - | - | **629,548** |
| Defined benefit pension liability | - | (2,623,000) | - | **(2,623,000)** |
| | 1,877,320 | (2,623,000) | - | **(745,680)** |

| The Group | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible fixed assets | 388,418 | - | - | 388,418 |
| Cash at bank and in hand | 1,303,896 | - | - | 1,303,896 |
| Minority interests | (4,326) | - | - | (4,326) |
| Other net current assets | 376,245 | - | 232,626 | 608,871 |
| Defined benefit pension liability | - | (2,623,000) | - | (2,623,000) |
| | 2,064,233 | (2,623,000) | 232,626 | (326,141) |

| 28. Cash used in operations | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Net movement in funds | **935,157** | 456,355 |
| *Adjustments for:* | | |
| Tax | **-** | 5,081 |
| Depreciation | **167,569** | 134,337 |
| Interest income | **(2,353)** | (16,948) |
| Loss on disposal of assets | **8,756** | 5,640 |
| Loss on disposal of subsidiary | **16,279** | 33,271 |
| *Movements in working capital:* | | |
| Decrease / (Increase) in stock | **11,208** | (15,967) |
| (Increase) / Decrease in debtors | **(44,433)** | 80,941 |
| Increase / (Decrease) in creditors | **25,743** | (311,649) |
| **Net Cash generated/(used) in operations** | **1,117,926** | 371,061 |

| 29. Disposal of subsidiaries | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Net liabilities disposed of | **30,002** | (443,714) |
| Cash | **2,476** | 508,953 |
| | **32,478** | 65,239 |
| Minority Interest | **(16,279)** | (31,968) |
| Loss on disposals | **(16,279)** | (33,271) |
| Net cash proceeds on disposal | **-** | - |
| Bank balance in subsidiary on disposal | **(2,476)** | (508,953) |
| **Cash loss on disposal** | **(2,476)** | (508,953) |

## 30. Net debt reconciliation – current year

| The Charity | 1 April 2020 £ | Cash flows £ | 31 March 2021 £ |
|---|---|---|---|
| Cash | 873,647 | 876,982 | **1,750,629** |
| | 873,647 | 876,982 | **1,750,629** |

**Net debt reconciliation**

| The Group | 1 April 2020 £ | Cash flows £ | 31 March 2021 £ |
|---|---|---|---|
| Cash | 1,303,896 | 949,487 | **2,253,383** |
| | 1,303,896 | 949,487 | **2,253,383** |

**Net debt reconciliation – prior year**

| The Charity | 1 April 2019 £ | Cash flows £ | 31 March 2020 £ |
|---|---|---|---|
| Cash | 1,079,841 | (206,194) | **873,647** |

**Net debt reconciliation**

| The Group | 1 April 2019 £ | Cash flows £ | 31 March 2020 £ |
|---|---|---|---|
| Cash | 1,658,514 | (354,618) | **1,303,896** |