

**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

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<b>Company number</b>	1111252
<b>Charity number</b>	5241249
<b>Registered office</b>	Prospect House Newby Road Industrial Estate Newby Road Hazel Grove Stockport SK7 5DA
<b>Principal address</b>	Prospect House Newby Road Industrial Estate Newby Road Hazel Grove Stockport SK7 5DA
<b>Trustees</b>	Mr. A. Allman Miss N Hinton Ms G. Gordon Mrs H. White Ms N Waterfield Mrs L Powis Ms J Walker Ms G Taylor
<b>Executive Management Team</b>	Mr S Brierley -Director of Finance Mr D Ferrier -Director of Operations Mrs J Hutton - Director of Human Resources Mrs L Parrott-Bates - Chief Executive Mr. P. Locke – Director of Compliance and Health and Safety
<b>Bankers</b>	The Co-operative Bank plc 1 Balloon Street Manchester M4 4BE
<b>Auditors</b>	Mitchell Charlesworth 3rd Floor, 44 Peter Street Manchester M2 5GP

# PURE INNOVATIONS LIMITED

## Trustees' Report Year ended 31 March 2021

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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 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.



# PURE INNOVATIONS LIMITED

## Trustees' Report (continued)

Year ended 31 March 2021

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

# PURE INNOVATIONS LIMITED

## Trustees' Report (continued) Year ended 31 March 2021

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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.

# PURE INNOVATIONS LIMITED

## Trustees' Report (continued) Year ended 31 March 2021

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### 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.

# PURE INNOVATIONS LIMITED

## Trustees' Report (continued) Year ended 31 March 2021

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### 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 14 <sup>th</sup> January 2021)
	Ms J Walker (appointed 14 <sup>th</sup> January 2021)
	Ms G Taylor (appointed 14 <sup>th</sup> 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.

# PURE INNOVATIONS LIMITED

## Trustees' Report (continued)

Year ended 31 March 2021

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### 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](http://www.pureinnovations.co.uk).



# PURE INNOVATIONS LIMITED

## Trustees' Report (continued) Year ended 31 March 2021

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### **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.

# PURE INNOVATIONS LIMITED

Trustees' Report (continued)  
Year ended 31 March 2021

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## 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

# PURE INNOVATIONS LIMITED

## Independent Auditor's Report to the Trustees of Pure Innovations Limited Year ended 31 March 2021

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### 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.



# **PURE INNOVATIONS LIMITED**

## **Independent Auditor's Report to the Trustees of Pure Innovations Limited Year ended 31 March 2021**

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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.

# PURE INNOVATIONS LIMITED

## Independent Auditor's Report to the Trustees of Pure Innovations Limited Year ended 31 March 2021

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### 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.


# PURE INNOVATIONS LIMITED

## Independent Auditor's Report to the Trustees of Pure Innovations Limited Year ended 31 March 2021

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### 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.



29/11/2021

**Alison Buckley (Senior Statutory Auditor)**  
**MITCHELL CHARLESWORTH LLP**  
Chartered Accountants  
Statutory Auditor  
3<sup>rd</sup> 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
		£	£	£	£
<b>Income:</b>					
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:					
<i>Provision of care, employment, catering &amp; other services</i>	8	5,908,745	502,581	-	6,411,326
Investment Income	9	2,353	-	-	2,353
Discontinued operations	9	3,891	-	-	3,891
<b>Total income</b>		<b>7,047,463</b>	<b>502,581</b>	<b>-</b>	<b>7,550,044</b>
<b>Expenditure:</b>					
<i>Expenditure on raising funds:</i>					
Commercial trading operation costs	10	-	-	-	-
Discontinued operations	10	306,047	-	-	306,047
Expenditure on charitable activities:					
<i>Provision of care, employment, catering &amp; other services</i>	11	5,796,405	496,156	161,000	6,453,561
<b>Total expenditure</b>		<b>6,102,452</b>	<b>496,156</b>	<b>161,000</b>	<b>6,759,608</b>
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>					
		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)
<b>Net movement in funds</b>		<b>928,732</b>	<b>6,425</b>	<b>(2,547,000)</b>	<b>(1,611,843)</b>
<b>Net transfer between funds</b>		<b>(250)</b>	<b>250</b>	<b>-</b>	<b>-</b>
Minority Interests		(11,952)	-	-	(11,952)
Total funds brought forward		2,064,233	232,626	(2,623,000)	(326,141)
<b>Total funds carried forward</b>		<b>2,980,763</b>	<b>239,301</b>	<b>(5,170,000)</b>	<b>(1,949,936)</b>

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
		£	£	£	£
<b>Income:</b>					
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:					
<i>Provision of care, employment, catering &amp; other services</i>	8	5,824,984	491,376	-	6,316,360
Investment Income	9	16,948	-	-	16,948
Discontinued operations	9	136	-	-	136
<b>Total income</b>		<b>9,081,502</b>	<b>491,376</b>	<b>-</b>	<b>9,572,878</b>
<b>Expenditure:</b>					
<i>Expenditure on raising funds:</i>					
Commercial trading operation costs	10	543,692	-	-	543,692
Discontinued operations	10	2,622,735	-	-	2,622,735
Expenditure on charitable activities:					
<i>Provision of care, employment, catering &amp; other services</i>	11	5,588,867	327,958	304,000	6,220,825
<b>Total expenditure</b>		<b>8,755,294</b>	<b>327,958</b>	<b>304,000</b>	<b>9,387,252</b>
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		<b>326,208</b>	<b>163,418</b>	<b>(304,000)</b>	<b>185,626</b>
Loss on disposal of investment		(33,271)	-	-	(33,271)
Actuarial gains on defined benefit pension scheme		-	-	2,447,000	2,447,000
<b>Net movement in funds</b>		<b>292,937</b>	<b>163,418</b>	<b>2,143,000</b>	<b>2,599,355</b>
<b>Net transfer between funds</b>		<b>3,955</b>	<b>(3,955)</b>	<b>-</b>	<b>-</b>
Minority Interests		(33,004)	-	-	(33,004)
Total funds brought forward		1,800,345	73,163	(4,766,000)	(2,892,492)
<b>Total funds carried forward</b>		<b>2,064,233</b>	<b>232,626</b>	<b>(2,623,000)</b>	<b>(326,141)</b>

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

# PURE INNOVATIONS LIMITED

## Consolidated Balance Sheet Year ended 31 March 2021

		2021		2020	
	Notes	The Group £	The Charity £	The Group £	The Charity £
<b>Fixed Assets</b>					
Tangible assets	17	380,410	365,806	388,418	374,124
Investments	18	-	-	-	1
		<u>380,410</u>	<u>365,806</u>	<u>388,418</u>	<u>374,125</u>
<b>Current assets</b>					
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		<u>2,253,383</u>	<u>1,750,629</u>	<u>1,303,896</u>	<u>873,647</u>
		<u>3,260,297</u>	<u>2,756,793</u>	<u>2,344,457</u>	<u>1,874,122</u>
<b>Creditors: amounts falling due within one year</b>	22	<u>420,643</u>	<u>402,426</u>	<u>431,690</u>	<u>370,927</u>
Minority Interests		-	-	4,326	-
<b>Net current assets</b>		<u>2,839,654</u>	<u>2,354,367</u>	<u>1,908,441</u>	<u>1,503,195</u>
<b>Total assets less current liabilities</b>		<u>3,220,064</u>	<u>2,720,173</u>	<u>2,296,859</u>	<u>1,877,320</u>
Defined benefit pension scheme liability	24	<u>(5,170,000)</u>	<u>(5,170,000)</u>	<u>(2,623,000)</u>	<u>(2,623,000)</u>
<b>Net Assets</b>		<u>(1,949,936)</u>	<u>(2,449,827)</u>	<u>(326,141)</u>	<u>(745,680)</u>
<b>Funds</b>					
Unrestricted funds:					
General	25	2,980,763	2,720,713	2,064,233	1,877,320
Pension fund reserve	25	<u>(5,170,000)</u>	<u>(5,170,000)</u>	<u>(2,623,000)</u>	<u>(2,623,000)</u>
		<u>(2,189,237)</u>	<u>(2,449,287)</u>	<u>(558,767)</u>	<u>(745,680)</u>
Restricted funds	26	<u>239,301</u>	<u>-</u>	<u>232,626</u>	<u>-</u>
		<u>(1,949,936)</u>	<u>(2,449,287)</u>	<u>(326,141)</u>	<u>(745,680)</u>

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

		2021		2020	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated in operating activities	28		<b>1,117,926</b>		371,061
Tax paid			-		(5,157)
			<b>1,117,926</b>		365,904
<b>Cash used in investing activities</b>					
Purchase of tangible fixed assets		(168,317)		(228,518)	
Proceeds on disposal of subsidiary		1		1	
Interest income		2,353		16,948	
<b>Net cash used in investing activities</b>			<b>(165,963)</b>		(211,569)
<b>Net cash outflow from disposal of subsidiary</b>	29		<b>(2,476)</b>		(508,953)
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>949,487</b>		(354,618)
Cash and cash equivalents at beginning of year			<b>1,303,896</b>		1,658,514
<b>Cash and cash equivalents at end of year</b>			<b>2,253,383</b>		1,303,896

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

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### 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 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.



# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

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### 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 objective 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.

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

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### 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 Salvare 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.

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 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)

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

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.

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

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.

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 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

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 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
	£	£	£	£	£
<i>Central support costs:</i>					
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
	<u>523,801</u>	<u>440,427</u>	<u>149,326</u>	<u>51,479</u>	<u>1,165,033</u>
Governance costs:					
Audit	4,295	3,612	1,225	422	9,554
	<u>528,096</u>	<u>444,039</u>	<u>150,551</u>	<u>51,901</u>	<u>1,174,587</u>

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 12. Analysis of support costs – prior year

	Care Services £	Employment Support £	Catering £	Other Activities £	Total 2020 £
<i>Central support costs:</i>					
Payroll, and wage subsidy costs	236,821	241,396	50,938	14,682	<b>543,837</b>
Cost of sales & kitchen equipment	98	100	21	6	<b>225</b>
Premises costs	26,637	27,151	5,729	1,651	<b>61,168</b>
General administration	12,056	12,289	2,593	747	<b>27,685</b>
Travel & subsistence	3,872	3,947	833	240	<b>8,892</b>
Depreciation	49,124	50,073	10,566	3,045	<b>112,808</b>
Equipment	639	651	137	40	<b>1,467</b>
Professional inc IT	70,239	71,596	15,108	4,354	<b>161,297</b>
Marketing	12,596	12,839	2,709	781	<b>28,925</b>
Irrecoverable VAT	24,712	25,190	5,315	1,532	<b>56,749</b>
Re-organisation costs	11,462	11,684	2,465	711	<b>26,322</b>
	<u>448,256</u>	<u>456,916</u>	<u>96,414</u>	<u>27,789</u>	<u><b>1,029,375</b></u>
Governance costs:					
Audit	4,388	4,473	944	271	<b>10,076</b>
	<u>452,644</u>	<u>461,389</u>	<u>97,358</u>	<u>28,060</u>	<u><b>1,039,451</b></u>

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

	2021 £	2020 £
This is stated after charging:		
Depreciation	<b>160,161</b>	129,942
Auditors' fees - for audit services	<b>10,000</b>	9,250
- for consolidation of the financial statements	<b>1,750</b>	750
	<u><b>171,911</b></u>	<u>139,942</u>

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

	2021 £	2020 £
Wages, salaries, and other staffing costs	<b>4,308,956</b>	6,769,086
Social security costs	<b>308,582</b>	421,954
Pension costs (including service cost)	<b>370,329</b>	548,616
	<u><b>4,987,867</b></u>	<u>7,739,656</u>



# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 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 No	2020 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 No	2020 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.

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 17. Tangible fixed assets

The Charity	IT Systems £	Catering Equipment £	Fixtures & Fittings £	Leasehold Improvements £	Motor Vehicles £	Total £
<b>Cost</b>						
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)
<b>At 31 March 2021</b>	<b>188,413</b>	<b>259,166</b>	<b>58,176</b>	<b>51,021</b>	<b>208,732</b>	<b>765,508</b>
<b>Depreciation</b>						
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)
<b>At 31st March 2021</b>	<b>105,947</b>	<b>108,070</b>	<b>40,473</b>	<b>7,854</b>	<b>137,358</b>	<b>399,702</b>
<b>Net book value</b>						
<b>At 31st March 2021</b>	<b>82,466</b>	<b>151,096</b>	<b>17,703</b>	<b>43,167</b>	<b>71,374</b>	<b>365,806</b>
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 £
<b>Cost</b>						
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)
<b>At 31 March 2021</b>	<b>201,949</b>	<b>259,166</b>	<b>60,940</b>	<b>51,021</b>	<b>218,682</b>	<b>791,758</b>
<b>Depreciation</b>						
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)
<b>At 31st March 2021</b>	<b>113,171</b>	<b>108,070</b>	<b>40,749</b>	<b>7,854</b>	<b>141,504</b>	<b>411,348</b>
<b>Net book value</b>						
<b>At 31st March 2021</b>	<b>88,778</b>	<b>151,096</b>	<b>20,191</b>	<b>43,167</b>	<b>77,178</b>	<b>380,410</b>
At 31st March 2020	81,129	183,021	19,851	17,918	86,499	388,418

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 18. Investments

Equity investment in group undertakings:

	The Group 2021 £	The Charity £	The Group 2020 £	The Charity £
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 2021 £	The Charity £	The Group 2020 £	The Charity £
Goods for resale	21,225	21,225	32,433	32,433
	21,225	21,225	32,433	32,433

### 21. Debtors

	The Group 2021 £	The Charity £	The Group 2020 £	The Charity £
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

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

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

	The Group 2021 £	The Charity £	The Group 2020 £	The Charity £
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
	<u>420,643</u>	<u>402,426</u>	<u>431,690</u>	<u>370,927</u>

### 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 £
<b>Land &amp; buildings</b>		
Operating leases which expire:		
Within 1 year	198,517	169,396
Within 2 to 5 years	549,931	342,111
	<u>748,448</u>	<u>511,507</u>

### 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<sup>th</sup> 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.

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 24. Retirement benefit schemes (continued)

#### Financial Assumptions

	2021 % pa	2020 % pa
The key financial assumptions used are:		
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.

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

24.	Retirement benefit schemes (continued)	Scheme Assets £	Scheme Liabilities £	Net Pension Liability £
	<i>Shown in the Statement of Financial Activities</i>			
	<i>Service cost</i>			
	Current service cost	-	(227,000)	(227,000)
	<b>Total service costs</b>		(227,000)	(227,000)
	<i>Net Interest</i>			
	Interest income on plan assets	274,000	-	274,000
	Interest cost on defined benefit obligation	-	(335,000)	(335,000)
	<b>Total net interest</b>	274,000	(335,000)	(61,000)
	<i>Cashflows</i>			
	Employer's contributions	127,000	-	127,000
	Members' contributions	42,000	(42,000)	-
	Benefits paid	(173,000)	173,000	-
	<b>Total cashflows</b>	(4,000)	131,000	127,000
	<b>Total costs in Statement of Financial Activities</b>	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
	<b>Total remeasurements recognised in OCI</b>	2,272,000	(4,658,000)	(2,386,000)
	<b>Closing position at 31 March 2021</b>	14,454,000	(19,624,000)	(5,170,000)

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

24.	Retirement benefit schemes (continued)	Scheme Assets £	Scheme Liabilities £	Net Pension Liability £
			2021 £	2020 £
	<i>Fair value of plan assets at the reporting period end</i>			
	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
			<b>14,454,000</b>	11,912,000
			2021 £	2020 £
	<i>The defined benefit obligations arise from plans funded as follows:</i>			
	Wholly unfunded obligations		19,624,000	14,535,000
	Wholly or partly funded obligations		-	-
			<b>19,624,000</b>	14,535,000



# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 25. Unrestricted Funds – current year

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Actuarial Gains/ (losses) £	Transfers £	Balance at 31 March 2021 £
<b>The Charity</b>						
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)
<b>Total general funds</b>	<b>(745,680)</b>	<b>6,569,554</b>	<b>(5,887,701)</b>	<b>(2,386,000)</b>	<b>-</b>	<b>(2,449,827)</b>

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Actuarial Gains/ (losses) £	Transfers £	Balance at 31 March 2021 £
<b>The Group</b>						
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)
<b>Total general funds</b>	<b>(558,767)</b>	<b>7,051,789</b>	<b>(6,296,009)</b>	<b>(2,386,000)</b>	<b>(250)</b>	<b>(2,189,237)</b>

### Unrestricted Funds – prior year

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Actuarial Gains/ (losses) £	Transfers £	Balance at 31 March 2020 £
<b>The Charity</b>						
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)
<b>Total general funds</b>	<b>(3,088,767)</b>	<b>5,735,722</b>	<b>(5,839,635)</b>	<b>2,447,000</b>	<b>-</b>	<b>(745,680)</b>

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Actuarial Gains/ (losses) £	Transfers £	Balance at 31 March 2020 £
<b>The Group</b>						
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)
<b>Total general funds</b>	<b>(2,965,655)</b>	<b>9,081,502</b>	<b>(9,125,569)</b>	<b>2,447,000</b>	<b>3,955</b>	<b>(558,767)</b>

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

26. Restricted funds – current year	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
<b>The Charity &amp; the Group</b>					
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
<b>Total restricted funds</b>	<b>232,626</b>	<b>502,581</b>	<b>(496,156)</b>	<b>250</b>	<b>239,301</b>

### 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.

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.

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 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	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
<b>The Charity &amp; the Group</b>					
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
<b>Total restricted funds</b>	<b>73,163</b>	<b>491,376</b>	<b>(327,958)</b>	<b>(3,955)</b>	<b>232,626</b>

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 27. Analysis of assets between funds – current year

	General Fund £	Designated Funds £	Restricted Funds £	Total £
<b>The Charity</b>				
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)

	General Fund £	Designated Funds £	Restricted Funds £	Total £
<b>The Group</b>				
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

	General Fund £	Designated Funds £	Restricted Funds £	Total £
<b>The Charity</b>				
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)

	General Fund £	Designated Funds £	Restricted Funds £	Total £
<b>The Group</b>				
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)

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

<b>28. Cash used in operations</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net movement in funds	<b>935,157</b>	456,355
<i>Adjustments for:</i>		
Tax	-	5,081
Depreciation	<b>167,569</b>	134,337
Interest income	<b>(2,353)</b>	(16,948)
Loss on disposal of assets	<b>8,756</b>	5,640
Loss on disposal of subsidiary	<b>16,279</b>	33,271
<i>Movements in working capital:</i>		
Decrease / (Increase) in stock	<b>11,208</b>	(15,967)
(Increase) / Decrease in debtors	<b>(44,433)</b>	80,941
Increase / (Decrease) in creditors	<b>25,743</b>	(311,649)
<b>Net Cash generated/(used) in operations</b>	<b>1,117,926</b>	371,061
<b>29. Disposal of subsidiaries</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net liabilities disposed of	<b>30,002</b>	(443,714)
Cash	<b>2,476</b>	508,953
	<b>32,478</b>	65,239
Minority Interest	<b>(16,279)</b>	(31,968)
Loss on disposals	<b>(16,279)</b>	(33,271)
Net cash proceeds on disposal	-	-
Bank balance in subsidiary on disposal	<b>(2,476)</b>	(508,953)
<b>Cash loss on disposal</b>	<b>(2,476)</b>	(508,953)

# PURE INNOVATIONS LIMITED

## Notes to the Financial Statements Year ended 31 March 2021

### 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