

# **RED ROSE RECOVERY LANCASHIRE**

## **ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

**Company Number: 08302102**

**Charity Number: 1152474**

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## **RED ROSE RECOVERY LANCASHIRE**

### **STATEMENT OF TRUSTEES' RESPONSABILITIES**

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The Trustees are pleased to present their annual report for the year ended 31<sup>st</sup> March 2021.

The financial statements comply with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (SORP 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2015).

### **OBJECTIVES AND ACTIVITIES**

The charitable company's objectives are specifically restricted to the following for the community in Lancashire and the North of England:

- To relieve poverty, sickness and distress amongst offenders and those in recovery from addiction and their families by the provision of advice, information, training and support in accessing employment, enterprise and community based opportunities including volunteering.
- The advancement of health by the reduction or prevention of addiction and relapse for those in recovery, reduction of harm and offending.
- The advancement of education of the individual, organisations and the community at large on issues of addiction, supporting sustainable recovery, reduction of harm and offending
- To promote such other charitable purposes as may from time to time be determined.

Red Rose Recovery Lancashire provides community based opportunities for ex-offenders and people in recovery. Our provision recognises and builds on beneficiaries' gifts and skills, creating a positive environment for individuals, often viewed negatively, to move forward. Red Rose Recovery Lancashire can help people take up activities that contribute to their further development and to the life of their local communities – sometimes feeling a sense of worth and achievement for the first time. Red Rose Recovery Lancashire employs a staff team, including some in recovery, based in community settings and hosted within local voluntary groups across Lancashire.

Our core work involves coaching service users in addiction by utilising the skills of individuals with lived experience who deliver therapeutic support. We work in hospitals, in the community and primary care environments where our work is most effective.

### **ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

#### **1. LCC Recovery Infrastructure Organisation (RIO)**

##### **1.1 Lancashire User Forum**

As part of finding new ways to work during this difficult year, the monthly LUF events were one of the first concepts in our sector to be adapted into an online format known as the "LUF Lounge Live", in an effort to continue to provide support to people in the community. We spread the content across multiple digital platforms such as Facebook, Twitter, YouTube and our Website to reach as many people as possible.

A total of 198,073 views and engagements were registered within the last 12 months, equalling in excess of 253,569 minutes of watched mutual aid content. That's 4226 hours or 176 days of LUF Lounge content watched this year.

##### **1.2 Referrals and Engagement**

During the accounting period some 749 referrals were received into RRR against a target of 600.

## **RED ROSE RECOVERY LANCASHIRE**

### **STATEMENT OF TRUSTEES' RESPONSABILITIES**

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We had 205,394 recorded engagements with members, delivered 1271 project and group sessions of which facilitated 7321 attendances and achieved 17,078 soft outcomes for the individuals whom which we supported.

Visit [www.redroserecovery.org.uk/annual-review-2020-21/](http://www.redroserecovery.org.uk/annual-review-2020-21/)

#### **1.3 Volunteers and Members**

Of those referrals engaged with, 21 became registered as lead volunteers and supported into roles providing 4,830 volunteer hours with an economic value of £41,055, contributing to local communities, neighbourhoods and well-being.

Membership numbers grew significantly once again, from 1,435 to 2,300 over the accounting period.

#### **1.4 Projects**

Unfortunately, due to Covid-19, opportunities to provide community support were significantly restricted. RRR did however, where possible and safe deliver the following across the course of the financial year:

- Regular food deliveries to the homeless and vulnerable.
- Food hampers at Christmas, delivered to the most vulnerable and in need
- Partnered with Rock FM to deliver Christmas presents for underprivileged and vulnerable children.
- Partnered with the ODN to provide Hep-C testing in communities across East Lancs.
- Provided social housing support to providers and their residents across Lancashire.

#### **1.5 Groups**

All of our groups aim to bring people together, to reduce isolation and connect people. Some are structured, some are more relaxed and fun. Some are educational and others just to let people talk about what issues are affecting them each day. Run by a mix of staff and volunteers

- Daily Staff and Volunteer Check in- a daily session for staff and volunteers to come and talk and check in with each other. Useful groups that brought the RRR team together during the pandemic
- Puzzled Productions – a soap opera written by and starring Red Rose members and staff. Each series focused on a specific theme, Addiction, Domestic Abuse, etc and each week the team would meet and decide on a rough outline of a script, they would each then film their section remotely on their phones and send it in to Red Rose to be edited together before being broadcast on the LUF Lounge
- Women's/Men's Groups – gender specific groups and a safe space to talk and support each other
- Here & Now – a member does a main share each week and then the group talk about the issues raised
- LUF Leadership – planning for the weekly Live LUF Lounge

## **RED ROSE RECOVERY LANCASHIRE STATEMENT OF TRUSTEES' RESPONSABILITIES**

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- Families Matter – a support group for families and friends who have been impacted by the addiction of their loved ones
- Music Therapy – people choose and play songs and talk about what they mean to them
- Hope & Beyond – A group discussing recovery and how to achieve and sustain it
- 5 Ways to Wellbeing – focusing on how members have achieved each of the 5 Ways in the last week; Connect, Learn, Be Active, Giving, Take Notice
- New You Service Users Lounge – feedback from service users
- Quiz – Fun quiz sessions
- Lockdown Laughs – a light hearted group to help people through the pandemic
- Connection and Peer Support – a peer support group, bringing people together
- Building Hope – A group offering inspirational stories to inspire recovery
- Check and Chat – a support group, what are the issues you are dealing with today
- Church on the Street Preston – a group based on the CoTS model
- Leadership – the weekly Leadership training session
- Hope & Beyond – our structured sessions delivering our low level behaviour change group for people struggling with their mental health
- Friday Fun Day – fun and games on a Friday evening
- Healthy Relationships – delivered by a member of the Terence Higgins Trust, educating members about what makes a healthy relationship. Separate groups for men and women
- Live LUF Lounge – the weekly show with inspirational life stories, musical guests and discussion
- Red Rose Has Got Talent – our own talent show, broadcast over Facebook with members displaying their talents. With a live final and prizes

## **2. Contracts**

### **CGL New You**

CGL sub-contract Red Rose Recovery (RRR) to capture the service user voice of their North and Central Lancashire Treatment Programme and also to provide family groups to support family members of addicts. RRR regularly hold service user forums to capture the views on local provision and feed this back to CGL managers. RRR also carry out 'mystery shoppers' of CGL buildings, assist CGL with 'building walk-throughs' to prepare them for CQC inspections and identify service user reps for further training.

### **Office of the Police and Crime Commissioner (OPCC)**

RRR were successful in drawing down two separate streams of funding from the OPCC to run both a Leadership Programme, aimed at people with a history within the criminal justice system and to provide bespoke peer led groups for people experiencing, or living with trauma related to Domestic Violence and Sexual Violence.

The Leadership course is delivered over 12 weeks, looking to produce the next community leaders and preparing participants for work. The programme is delivered in partnership with the Cabinet Office North West and Barclays Bank whom provide the following services as part of the programme:

## **RED ROSE RECOVERY LANCASHIRE STATEMENT OF TRUSTEES' RESPONSABILITIES**

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- Red Rose staff going into sessions with HMRC to talk about addiction and recovery.
- Civil Service staff (from numerous departments) delivering training sessions for our members.
- Civil Service staff mentoring our members whilst on the course, attending the sessions with them and offering further support away from the course.
- Barclays Bank delivering finance sessions.

### **Big Lottery Reaching Communities**

Moving into our penultimate year of Reaching Communities funding which provides infrastructure support to the organisation. The contract value was increased mid 2020 with a one-off grant payment to help support the redevelopment of a RRR Training Academy. The Academy was critical in bringing through trained members of staff and volunteers to meet the increased demand and stretch of resources as a result of Covid-19. It also provided RRR with a sustainable model for income generation from external consultancy and training services.

### **Big Lottery Digital Recovery**

Funding which allowed RRR to expand our digital delivery offer in light of Covid-19's face to face restrictions. Funding was used to recruit additional staff members and the sourcing of IT equipment and software.

### **Winter Pressures Pan Lancashire**

A short term, high impact project looking to reduce the seasonal rise in A&E attendances. RRR were commissioned to deliver behavioural change sessions to groups experiencing low level mental health and or dual diagnosis across Lancashire. The projects success lead to its extension for a further 4 months up until July 2021. In the accounting period in question, 139 people were engaged within the programme, equating to over 10,000 hours of individual engagement and support received across attendance of the RRR Hope and Beyond structured sessions, 1:1 support, on demand phone call service and continued engagement within RRR wider Peer support groups.

Warwick Edinburgh Mental Wellbeing assessments completed pre and post course have since shown a significant shift in individual wellbeing scores. Scores recognised as 'very low' or 'below the average' pre course, saw a decrease of 48.43% post completion of the course. Participants scoring 'Wellbeing above average' post course increased by 35.27%.

### **Liaison and Diversion**

A project with LSCFT where RRR staff with lived experience of criminal justice and addiction are embedded in the Liaison and Diversion Team based in Preston Police Station. RRR staff engage with those in the cells and arriving for court and seek to engage them in community activities away from crime.

The success of the pilot programme has led to the commissioning of a service roll out across 12 Lancashire and South Cumbria police stations in 2021 alongside being contracted to provide similar peer-based support within in a Secure Medical Unit in Preston.

## **RED ROSE RECOVERY LANCASHIRE**

### **STATEMENT OF TRUSTEES' RESPONSABILITIES**

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#### **Collective Voice**

Retrospective Covid-19 funding to cover the costs incurred with a shift to whole organisation remote working and PPE. The funding also allowed for the extension of individuals temporary contracts in meeting the increased service user demand.

#### **Julia and Hans Rausing Trust**

Restricted core funding to support the general infrastructure and primary activities of the organisation.

#### **MIND**

Contracted RRR in early 2020 to deliver an adaptation of our Leadership programme, focusing on low level mental health support for people in Preston. The programme was extremely well received by our communities with a high number of soft outcomes and positive wellbeing changes taking place. The insight learned and experience gained in delivering the project led to the refinement and creation of our 'Hope and Beyond' programme, developed and delivered as part of the Winter Pressures Contract.

#### **Medical Students**

Each week RRR host 4 medical students for a day per week from UCLAN. We aim to give them an insight into the world of addiction and recovery.

#### **FINANCIAL REVIEW**

Total income in the year was £984,817 (2020: £725,683) of which £401,811 (2020: £116,830) related to funding for projects upon which restrictions are placed.

Total expenditure in the year was £632,687 (2020: £659,865), leaving a surplus for the year of £352,130 (2020: surplus £65,818).

At 31<sup>st</sup> March 2021 the charitable company's reserves stood at £691,160 (2020: £339,030) of which £34,738 (2020: £4,800) represented restricted funds.

#### **RISK ASSESSMENT**

The main risks to which the charitable company is exposed as identified by the Trustees have been considered and systems have been established to mitigate those risks.

#### **RESERVES POLICY**

It is the policy of the charitable company to maintain unrestricted general funds, which are free reserves at a level to cover redundancy provision and three months' running costs should no further funding be received.

As at the end of the financial year the unrestricted general funds totalled £656,422 (£653,708 net of tangible fixed assets). The charitable company requires £19,962 for redundancy provision and £134,234 for six months' running costs, (total £154,196). This would leave an excess in unrestricted reserves of approximately £502,226, some of which has been designated post year for projects by the trustees, as below:

## **RED ROSE RECOVERY LANCASHIRE STATEMENT OF TRUSTEES' RESPONSABILITIES**

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Delivery and expansion of services across Lancashire	£40,000
Investment into externally sourced professional training to upskill growing number of staff members	£20,000
Investment into social housing	£150,000
Investment into our local communities, building capacity for smaller recovery organisations via a community wealth building approach	£50,000
Funding for additional office space to accommodate growing number of staff members	£15,000

### **PLANS FOR FUTURE**

The charitable company's strategic 3 year forward view, taking into account its track record over the past 3 to 5 years has placed it in a strong position, such that it continues to look at accessing future contract opportunities and longer-term projects to increase its capacity in delivering to and supporting vulnerable people and marginalised groups.

We are currently reviewing or submitting proposals for the following:

1. 'Reconnect' Prison Liaison and Diversion Service – Building on the progress of our Custody Suite delivered Liaison and Diversion Peer service, RRR are in advanced discussions with LSCFT which will see RRR commissioned to deliver a similar service across 6 HM Prisons in Lancashire and Cumbria.
2. Training and Consultancy Services – Proposals have been requested and provided by a range of organisations including LSCFT and HM Prison services to deliver bespoke training and consultancy services to both staff and service users.
3. Lived Experience Leaders – Two year National Lottery funding to deliver bespoke Leadership training to individuals with lived experience. The programme aims to upskill and provide the knowledge and confidence to become the next professional leaders within their community.
4. Section 31 Universal Grant – A one year grant made available to assist Local Authorities and partners to strengthen arrangements that support substance misusing offenders, and arrangements that address drug related deaths.

If successful the collective total of bids is significant and would sustain the charitable company throughout the effects of COVID-19 and provide growth opportunities into 2022. Scoping further opportunities and submitting further proposals during the year is ongoing work and remains a strategic priority.

Opportunities to further develop partnerships continue in order to support collaborative bids as these emerge. Examples include our work with Lancashire and South Cumbria Integrated Care System, Lancashire and South Cumbria Foundation Trust, the Calico Group, Lancashire Constabulary and the National Probation Services.

We also continue to develop opportunities outside of our main commissioned geographical area and trading opportunities outside of recovery.

### **COVID-19**

Our delivery is very much as an asset based community development approach – local people with lived experience supporting other local people with lived experience. However with no face



## **RED ROSE RECOVERY LANCASHIRE**

### **STATEMENT OF TRUSTEES' RESPONSABILITIES**

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to face mutual aid running and normal peer support 'suspended' due to COVID-19, a dramatic shift to digital provision has been implemented to do all we can to ensure no one is left behind.

The 'New Normal' is being supported with daily team Zoom, Teams and Skype meetings, regular outreach is now via telephone and social media platforms and tools – Zoom, WhatsApp and Facebook. This aims to replicate as far as possible the principles of pre COVID-19 delivery but with the added bonus that group work is now open to all without geographical restrictions.

Financially, we have seen an impact in terms of costs incurred due to remote working set up and a loss of income through fundraising activity and commissioned services such as training. However, with the number of vulnerable and effected people growing by the day, opportunities to source external grant funding has increased and we are proactively looking at ways to increase capacity to support the demand.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The organisation is a charitable company limited by guarantee, incorporated on 21st November 2012 (company number 08302102) and registered as a charity (charity number 1152474) on 18th June 2013.

The Governing Instruments under which the charitable company operates comprise the Memorandum and Articles of Association dated 21<sup>st</sup> November 2012. Anyone over the age of 18 can become a member. The charitable company's Board of Trustees are also its Directors.

Members are elected at the Annual General Meetings of the members of the charitable company, with casual vacancies being filled as required by the Board of Trustees in accordance with the Charity's Articles of Association. The Board meets regularly throughout the year and attends to all strategic and operational matters.

### **REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Name</b>	Red Rose Recovery Lancashire
<b>Company Number</b>	08302102
<b>Charity Number</b>	1152474
<b>Registered Office</b>	St Wilfrids Building, Fox Street, Preston, England, PR1 2AB
<b>Trustees</b>	Neil Smith Thomas Woodcock (Chair) Jennifer Ellison Amanda Webster John Richmond (Treasurer)
<b>Managing Director</b>	Michael Wearden

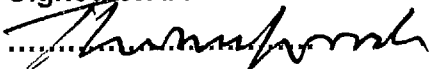
**RED ROSE RECOVERY LANCASHIRE  
STATEMENT OF TRUSTEES' RESPONSABILITIES**

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**Independent Examiner**                      Graham Wright B A (Hons), FCA DChA  
LCVS,  
151 Dale Street,  
Liverpool,  
L2 2AH

**Bankers**                                      The Co-Operative PLC  
P O Box 250,  
Skelmersdale,  
Lancashire WN8 6WT

**Signed on behalf of the Board of Trustees**



Thomas Woodcock  
Trustee and Chair

Date: ....19<sup>th</sup> OCT 2021

## **RED ROSE RECOVERY LANCASHIRE**

### **STATEMENT OF TRUSTEES' RESPONSABILITIES**

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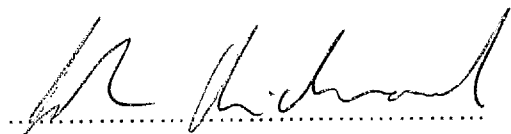
Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

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

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (SORP 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2015).

**By Order of the Board**



**John Richmond**  
**Trustee and Treasurer**

St Wilfrids Building,  
Fox Street,  
Preston,  
England,  
PR1 2AB

Date: 15/10/21

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF RED ROSE RECOVERY  
LANCASHIRE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

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I report on the accounts of the charitable company for the year ended 31<sup>st</sup> March 2021, which are set out on pages 12 to 22.

Respective  
responsibilities of  
trustees and examiner

The Trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

Basis of independent  
examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charitable company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's  
statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: **Mr. Graham Wright**

Relevant professional qualification or body: **FCA DChA**

Address: **c/o LCVS 151, Dale Street, Liverpool, L2 2AH**

Dated: **...20 October 2021...**

**RED ROSE RECOVERY LANCASHIRE**  
**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

	Notes	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
<b>Income and endowments from:</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and legacies	3a	320	-	320	1,550
Charitable activities	3b	582,686	401,811	984,497	724,133
<b>Total income</b>		<b>583,006</b>	<b>401,811</b>	<b>984,817</b>	<b>725,683</b>
<b>Expenditure on:</b>					
Charitable activities	4	268,466	364,221	632,687	659,865
<b>Total expenditure</b>		<b>268,466</b>	<b>364,221</b>	<b>632,687</b>	<b>659,865</b>
<b>Net income</b>		<b>314,540</b>	<b>37,590</b>	<b>352,130</b>	<b>65,818</b>
Transfer between funds		7,652	(7,652)	-	-
Net Movement in funds		322,192	29,938	352,130	65,818
Total funds brought forward	10,11	334,230	4,800	339,030	273,212
<b>Total funds carried forward</b>	9-11	<b>656,422</b>	<b>34,738</b>	<b>691,160</b>	<b>339,030</b>

The notes on pages 14 to 22 form part of these accounts.

All the above amounts relate to continuing activities of the charitable company.

**RED ROSE RECOVERY LANCASHIRE**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2021**

Company Number 08302102

	Notes	31 <sup>st</sup> March 2021 £	31 <sup>st</sup> March 2020 £
<b>Fixed assets</b>			
Tangible fixed assets	5	2,714	5,218
<b>Current assets</b>			
Debtors	6	17,438	55,117
Cash at bank and in hand		702,682	334,727
		720,120	389,844
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	(31,674)	(56,032)
<b>Net current assets</b>		688,446	333,812
<b>Total assets less current liabilities</b>		<b>691,160</b>	<b>339,030</b>
<b>Funds:</b>			
Unrestricted funds	9, 10	656,422	334,230
Restricted funds	9, 11	34,738	4,800
		<b>691,160</b>	<b>339,030</b>

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

For the period covered by these accounts the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

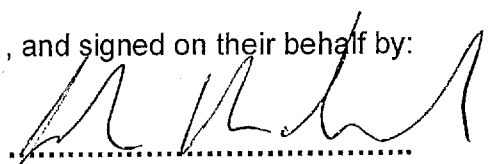
The Trustees, who are the Directors of the company, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board on 4/10/21, and signed on their behalf by:



Thomas Woodcock  
 Director and Chair

19 October 2021



John Richmond  
 Director and Treasurer

19 October 2021

## **1. Limited Liability**

The charity is a company limited by guarantee. Each member's liability is limited to £5.

## **2. Accounting Policies**

### **Basis of accounting**

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (SORP 2015) (effective 1<sup>st</sup> January 2015), Charities Act 2011 and the Companies Act 2006.

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

The charitable company has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

### **Going concern**

Due to COVID-19, financially, we have seen an impact in terms of costs incurred due to remote working set up and a loss of income through fundraising activity and commissioned services such as training. However, with the number of vulnerable and effected people growing by the day, opportunities to source external grant funding has increased and we are proactively looking at ways to increase capacity to support the demand. Therefore at the time of approving the accounts, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

### **Fund accounting**

Unrestricted general funds are the charitable company's free reserves available for the Trustees to apply in accordance with the charitable company's charitable objectives. Funds are designated where they are held for specific purposes.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure for the purposes is charged to the fund.

### **Income recognition**

All income is recognised once the charitable company has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies comprise of donations and which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from charitable activities is recognised on an accruals basis except for grants receivable, which are recognised on the date on which their unconditional payment is confirmed by the donor.

**Expenditure recognition**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relate to the operation of the charitable company comprising of direct charitable expenditure to meet the objectives of the charitable company. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charitable company.

**Fixed assets**

Capital expenditure of £500 and above is stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its expected useful life as below:

Motor Vehicle	20% per annum straight line basis
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Computer	20% per annum straight line basis
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**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

**Financial instruments**

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.



**Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

**Taxation**

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The charitable company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

**Critical accounting estimates and judgements**

In the application of the charitable company'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 on-going 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.

**RED ROSE RECOVERY LANCASHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

**3. Income and endowments**

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
<b>a. Donations and Legacies</b>				
Donations	320	-	320	1,550
	=====	=====	=====	=====

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
<b>b. Charitable activities</b>				
Contract Income	565,527		565,527	565,313
ESF Community Grant	-	3,605	3,605	-
Julia Hans Rausing Grant	-	31,999	31,999	-
Human Kind- Collective Voice	-	18,949	18,949	-
The national lottery community fund (TNLCF)- Reaching Communities	-	168,988	168,988	116,830
The national lottery community fund (TNLCF)- Leaders with lived experience	-	24,064	24,064	-
Lancashire Covid-19 Community support fund	-	4,998	4,998	-
Lloyds	-	29,180	29,180	-
Minds Matter- Mind	-	47,875	47,875	-
Police & Crime Commissioner (PCC)	-	45,988	45,988	25,000
The National Lottery Community Fund- Digital Recovery	-	26,165	26,165	-
Training and consultancy Income	17,159		17,159	16,990
	582,686	401,811	984,497	724,133
	=====	=====	=====	=====

**4. Expenditure on Charitable Activities**

	Direct Charitable Expenditure £	Support & Governance Costs £	Total 2021 £	Total 2020 £
To provide advice, information, training and support to offenders and those in recovery from addiction and their families	364,586	268,101	632,687	659,865
	=====	=====	=====	=====

**RED ROSE RECOVERY LANCASHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

**a. Analysed as follows:**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<i>Direct charitable expenditure:</i>		
Staff salaries costs	259,657	192,815
Project expenses	85,062	105,211
Consultancy and management fees	16,567	42,414
Events	1,359	13,244
Volunteer expenses	1,941	5,832
Citizenship	-	10,803
	-----	-----
	364,586	370,319
	-----	-----
<i>Support &amp; Governance costs:</i>	<b>£</b>	<b>£</b>
Staff salaries costs	199,028	218,806
Travel expenses	11,423	23,597
Printing, stationery and postage	4,191	2,142
Telephones and IT costs	30,649	19,804
Office costs	260	550
Insurance	9,480	9,771
Membership fees	478	223
Staff training and development	4,837	408
Website Database	2,656	2,255
Equipment	-	6,942
Marketing	1,595	1,543
Accountancy fees	1,000	1,000
Depreciation	2,504	2,505
	-----	-----
	268,101	289,546
	-----	-----
<b>Total expenditure on charitable activities</b>	<b>632,687</b>	<b>659,865</b>
	=====	=====

£222,240 (2020: £128,350) of the above expenditure relates to restricted funding.

<b>b. Staff Costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Gross salaries and wages	417,922	374,280
Social security costs	28,185	25,654
Pension Costs	12,578	11,687
	-----	-----
	<b>458,685</b>	<b>411,621</b>
	=====	=====

**RED ROSE RECOVERY LANCASHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

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**c. Particulars of employees:**

The average number of employees during the year, calculated on the basis of full-time Equivalents, was as follows:

	<b>2021</b>	<b>2020</b>
Charitable activities	<b>16.9</b>	<b>15.75</b>
	<b>=====</b>	<b>=====</b>

No employee received emoluments of more than £60,000 during the year.

The Trustees, being also the Directors of the charitable company, are not remunerated for their services and are not included in the above number of employees.

No out of pocket expenses were reimbursed to Trustees in the year (2020: £nil).

**5. Tangible fixed assets**

	<b>Computer</b>	<b>Motor Vehicle</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 31 <sup>st</sup> March 2020	523	12,000	12,523
Additions in the year	-	-	-
	<b>-----</b>	<b>-----</b>	<b>-----</b>
Balance at 31 <sup>st</sup> March 2021	<b>523</b>	<b>12,000</b>	<b>12,523</b>
	<b>-----</b>	<b>-----</b>	<b>-----</b>
<b>Accumulated Depreciation</b>			
Balance at 31 <sup>st</sup> March 2020	105	7,200	7,305
Charge for the year	104	2,400	2,504
	<b>-----</b>	<b>-----</b>	<b>-----</b>
Balance at 31 <sup>st</sup> March 2021	<b>209</b>	<b>9,600</b>	<b>9,809</b>
	<b>-----</b>	<b>-----</b>	<b>-----</b>
<b>Net book value at 31<sup>st</sup> March 2021</b>	<b>314</b>	<b>2,400</b>	<b>2,714</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>
<b>Net book value at 31<sup>st</sup> March 2020</b>	<b>418</b>	<b>4,800</b>	<b>5,218</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>

**6. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>17,438</b>	<b>55,117</b>
	<b>=====</b>	<b>=====</b>

**RED ROSE RECOVERY LANCASHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

**7. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,911	604
Tax & Social Security	9,415	6,834
Accruals	1,000	1,542
Deferred Income (note 8)	19,348	47,052
	<b>31,674</b>	<b>56,032</b>
	<b>=====</b>	<b>=====</b>

**8. Deferred Income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Balance at 1 <sup>st</sup> April 2020	47,052	-
Amount deferred in the year	19,348	47,052
Amount released to incoming resources	(47,052)	-
	<b>19,348</b>	<b>47,052</b>
	<b>=====</b>	<b>=====</b>

**9. Analysis of Net Assets between Funds**

	<b>Tangible fixed assets</b>	<b>Net current assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>			
General Fund	314	634,383	634,697
BRIC Funds	-	21,725	21,725
<b>Restricted Funds</b>			
Bowland Charitable Trust - Omega Project	2,400	-	2,400
The national lottery community fund (TNLCF) - Reaching Communities	-	22,058	22,058
Minds Matter- Mind	-	10,280	10,280
	<b>2,714</b>	<b>688,446</b>	<b>691,160</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>

**RED ROSE RECOVERY LANCASHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

**10. Unrestricted Funds**

		<u>Movements in the year</u>			
	<b>Funds at beginning of year £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Funds at end of year £</b>
General Fund	253,598	244,923	(37,288)	173,464	634,697
BRIC Funds	80,632	338,083	(231,178)	(165,812)	21,725
	<u>334,230</u>	<u>583,006</u>	<u>(268,466)</u>	<u>7,652</u>	<u>656,422</u>
	=====	=====	=====	=====	=====

General Fund is used to finance the charitable company's general activities as outlined in the Trustees' Report.

BRIC Funds are held specifically to be applied against future projects.

Transfers from restricted to unrestricted funds represent the management fees on external projects.

**11. Restricted Funds**

		<u>Movements in the year</u>			
	<b>Funds at beginning of year £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Funds at end of year £</b>
Bowland Charitable Trust - Omega Project	4,800	-	(2,400)		2,400
ESF Community Grant	-	3,605	(3,605)	-	-
Julia Hans Rausing Grant	-	31,999	(31,999)	-	-
Human Kind- Collective Voice	-	18,949	(18,949)	-	-
The national lottery community fund (TNLCF)- Reaching Communities	-	168,988	(168,988)		-
The national lottery community fund (TNLCF)- Leaders with lived experience	-	24,064	(2,006)		22,058
Lancashire Covid-19 Community support fund	-	4,998	(4,998)	-	-
Lloyds	-	29,180	(26,196)	(2,984)	-
Minds Matter- Mind	-	47,875	(32,927)	(4,668)	10,280
Police & Crime Commissioner	-	45,988	(45,988)	-	-
The National Lottery Community Fund- Digital Recovery	-	26,165	(26,165)	-	-
	<u>4,800</u>	<u>401,811</u>	<u>(364,221)</u>	<u>(7,652)</u>	<u>34,738</u>
	=====	=====	=====	=====	=====

**RED ROSE RECOVERY LANCASHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

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Transfers from restricted to unrestricted funds represent the management fees on external projects.

These are monies given to the charitable company to be spent at the discretion of the Board of Trustees for specific charitable purposes

**Bowland Charitable Trust – Omega Project-** to provide and co-ordinate volunteers to work on the OMEGA project, which aims to take volunteers with experience in the criminal justice system and provide them with training and experience working on a building renovation in East Lancashire – This project ended in autumn 2017.

**ESF Community Grant-** Contribution towards the community re-connect programme

**Julia Hans Rausing Grant-** Contribution towards supporting general infrastructure and primary activities of the organisation.

**Human Kind- Collective Voice-** Contribution towards costs incurred shifting the whole organisation to remote working and PPE due to covid-19 and increase service user demand.

**The National Lottery Community Fund (TNLCF) Reaching Communities-** to contribute to staff costs, some overheads and equipment on the Lancashire Recovery Support and Community Development project.

**The National Lottery Community Fund- Leaders with lived experience-** to contribute to staff costs, some overheads and equipment on the Lancashire Recovery Support and Community Development project.

**Lancashire Covid-19 Community support fund-** Contribution towards project Hope and Beyond, provide all the relevant support and training needed due to the COVID-19 outbreak.

**Lloyds-** Contribution towards consultancy support to develop and implement a marketing & comms strategy, create a new website, rebrand and staff costs.

**Minds Matter-** Contribution towards a programme to provide people on low level mental health, support.

**Police & Crime Commissioner-** Contribution towards running a programme to help people with a history within the criminal justice system

**The National Lottery Community Fund- Digital Recovery-** Contribution towards recruiting additional staff members the sourcing of IT equipment and software.

## **12. Operating Lease Commitments**

There were no financial commitments under non-cancellable operating leases (2020: none).

## **13. Contingent Liabilities**

The charitable company did not have any contingent liabilities at 31<sup>st</sup> March 2021 (2020: none).

## **14. Related Party Transactions**

There were no material related party transactions during the year which require disclosure (2020: none).

## **15. Guarantees**

As at 31<sup>st</sup> March 2021, 5 members had given a guarantee of £5 each in the event of the charitable company winding-up; total: £25 (2020: 6 members £30).