

Registered company number: 3360545
Registered charity number: 1063589

ACORN RECOVERY PROJECTS **(a company limited by guarantee)**

Report and Financial Statements

Year ended 31 March 2019

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019

Contents

	Page
Company Lead Foreword	1 - 2
Legal and administrative information	3
Report of the Company Director	4 - 10
Independent Auditor's Report	11 - 13
Statement of Financial Activities	14
Statement of Financial Position	15
Notes forming part of the financial statements	16 - 26

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019

Company Lead's Foreword

ACORN RECOVERY COMPANY LEAD'S FOREWORD

Acorn Recovery Projects is an innovative charity providing a range of recovery services which enable individuals and their families to break free from drug, alcohol and other addictions. We help to find not just immediate recovery, but emotional, social, lifelong recovery.

At Acorn, we always see the person behind the illness. Our success comes from our staff, 80-85% of whom, at all levels within the organisation, have been through recovery and can understand and empathise with others in similar situations.

We support people throughout their recovery journey in a compassionate way, focussing on the long term solution, even beyond treatment. We have a variety of housing options available to help you on your journey of moving towards fully independent living.

Acorn Recovery Projects continues to serve in excess of 300 individuals at any one time through a range of services and interventions across the Lancashire and Greater Manchester footprint. Acorn's ability to remain resilient and strong in an ever changing environment has been key to the challenges of this financial year.

In 18/19 we:

- supported 1,876 people in our community and residential services.
- supported 178 individuals in our abstinence supported accommodation projects.
- supported to over 1,200 families/carers and loved ones.
- retained our target of over 70% of our staff being in active recovery.

Every week in 18/19 we saw:

- over 200 people accessing our services

Every hour in 18/19 we saw:

- somebody new taking the step towards recovery and making contact with our services.

Delivery of addiction services continues to be challenging – while our services have been successful in diversifying and securing various new contracts the financial and operating contract in which our service delivery teams operates is still under strain, specifically:

- Continued cuts to public sector budgets affecting all our areas of service provision. Commissioners are asking for more services to clients for less money, while the level of need is expanding. We pride ourselves on the willingness of our teams to work hard and creatively, and our ability to find efficient ways of supporting our clients, but the reality is that the level of unmet need is increasing and too many opportunities to promote recovery are being missed.
- Less frequent formally tendered county wide services, therefore reducing the window of opportunity to between 5-7 years.
- Framework requirements for spot purchasing residential rehabilitation becoming more stringent and value for money focussed, creating a financially driven market as opposed to quality.
- Our community services are facing an increasing demand from a growing number of people facing marginalisation and social exclusion, with the diminishing social safety net- in particular owing to benefit changes. Mainstream support services are less available to our client group resulting in the sector we operate in having to provide more for our clients.
- Larger national providers diversifying into specialist markets, such as therapeutic interventions, therefore minimising the opportunity to sub- contract.
- Some models of delivery and services we offer have seen a change in focus to rise to the challenge of prison release and homelessness issues presenting in our Greater Manchester area, these decisions have been based on the commitment to make a difference and evolve with the demands of society.

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019
Company Lead's Foreword

ACORN RECOVERY COMPANY LEAD'S FOREWORD (continued)

Despite these pressures, our teams have found many ways to ensure our clients receive the support they need. In rehabilitation, we continue to refine our models of intervention and encompass high quality therapeutic interventions, motivational work, recovery pathways and ongoing support. We have proven models of delivery that succeed in engaging and motivating individuals to change, and have real lasting impact in terms of longer term recovery from addiction.

Staff engagement and positivity about the future continues to be at an all-time high, which demonstrates the effective leadership and management as well as passion and commitment that staff have to the cause in tackling addiction and supporting individuals to transform their lives.

Nicola Crompton-Hill

Company Lead

9 September 2019

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019
Legal and administrative information (continued)

Trustees	Richard Jones (Chair) Karen Ainsworth (Deputy Chair) Anne Coates Grahame N Elliott CBE FCA Andrew Henderson Mushtaq Khan Sharon Livesey Lynn McCracken Georgina Nolan Michelle Pilling Kelly Shaw
Company Secretary	Stephen Aggett
Registered office	Acorn Recovery Projects Centenary Court Croft Street Burnley BB11 2ED
Registered number	3360545
Registered charity number	1063589
External auditors	Beever and Struthers Chartered Accountants and Statutory Auditor St George's House 215-219 Chester Road Manchester, M15 4JE.
Bankers	Barclays Bank Plc 198 Ashley Road Hale Cheshire, WA15 9SW
Solicitors	DWF Solicitors Centurion House 129 Deansgate Manchester, M3 3AA Slater Heelis Solicitors Dovecote House Off Old Hall Road Sale Moor Cheshire, M33 2GS

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019 Report of the Company Trustee's

The trustees are pleased to present their annual Trustees' report together with the financial statements of the charity for the year ending 31 March 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The trustees are also the company directors.

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

Acorns Vision:

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

Aims

Acorn's charitable objectives are to:

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

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

Acorn's core values are centred around achieving abstinence based recovery – our staff team of around 75 includes around 85% of staff who are in recovery themselves and can share their experiences with others going through their recovery journey.

Our extensive range of recovery programmes include:

- RAMP (Reduction and Motivation Programme)
Offers clear goals, focus and structure, helping clients to make the first steps towards recovery.
- Ummah RAMP
Is based on traditional RAMP principals and helps individuals to overcome the barriers and stigma around addiction within minority communities.
- Family RAMP
Helps relatives of clients in recovery understand the issues and provide effective support.
- DEAP (Dependency, Emotional, Attachment Programme)
Explores addiction at a personal level for motivation for long-term recovery.
- STEP (a 12 step recovery programme)
To develop a new set of skills for those committed to abstinence.
- STAR (Skills training for people in recovery)
A structured post-treatment programme to gain new skills and regain their independence.
- HEART (Healthy Eating and Responsible Thinking)
Focuses on the underlying psychological factors of obesity and weight management, the programme improves self-confidence, emotional intelligence, self-esteem and reduce stress levels
- Mentoring- delivering various mentoring programmes across Cheshire East/West and Warrington

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

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019

Report of the Company Trustees (continued)

Volunteering

Volunteers are an integral part of our work, and we value immensely their dedication and support. In return for their commitment, volunteers are given the opportunity to experience a working environment, alongside caring and dedicated professionals who share their wealth of experience and knowledge with them each and every day.

Our current team of volunteers work over various locations, across the whole of the North West and Greater Manchester. Volunteers are supported and encouraged to access a wide variety of training provided by Acorn Academy and The Calico Group as well as external training organisations.

Gary - Volunteer for 13 months commented:

“Full time work is not an option for me at present given I have had 33 years in addiction, however what Acorn is giving me as a volunteer is the ability to learn new skills, be around people who I can trust and build my confidence up and also giving me time to think about what my strengths are and how I would best use these in future employment. As a volunteer I am treated with respect and am one of the team. I get up in a morning with a purpose and a future and am being offered lots of training and chances to try new things. Being able to sit with people in reception when they arrive in treatment and introduce myself as one of the team, fills me with pride and contentment”

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

Counselling

Acorn has this year started to offer private 1-1 counselling further diversifying our offer and utilising the unique skills of our counselling and therapy team. We have on the back of this, secured a small contract with 'Mindsmatters' LCFTs Mental Health counselling services to support the offer of 1-1 counselling interventions.

Social Enterprise

Acorn continues to support our social enterprise streams as a way of further extending volunteering and employment opportunities for the clients it works with. Acorn specifically continues to work with Bad Kamra our social enterprise film and media production company which was set up by Acorn to promote recovery and to inspire others to achieve it. Bad Kamra has a number of volunteers who have come through recovery with us and continue to inspire others each and every day.

A range of film productions created by Bad Kamra can be seen by visiting: www.badkamra.co.uk

Acorn Academy

Acorn Academy is very unique and specialised in providing training in a range of areas for our customers, staff, professionals and organisations. The Academy is recognised as a centre for learning by the National Open College Network, and is able to develop bespoke training packages upon request. 18/19 has seen The Academy start to work wider in The Calico Group, specifically with Calico enterprise and grow and widen their educational offer and enhance their reputation.

Current courses include:

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

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019 Report of the Company Trustees (continued)

Acorn Academy (continued)

- Domestic Violence Perpetrators Course: a pioneering new course provided in conjunction with SafeNet Domestic Abuse and Support Services.
- Well-being RAMP: based on the '5 Ways to Well-Being,' this programme introduces ideas around personal development, and techniques which promote positive well-being and personal growth.
- Personal Development Programme (PDP) is a four-week personal development programme focussing on behaviour, self-awareness, resilience and emotional intelligence.
- Right Start Programme: the programme, developed by the Academy in partnership with Sir John Thursby School in Burnley and Calico Careers, focuses on emotional intelligence, confidence and motivation to help the students understand themselves as individuals.

Development of a perpetrator programme in conjunction with Safenet is evolving in preparation for growth into new areas and will be ready for launch in 19/20.

Supported Housing

During 2018/19, Acorn has continued to extend the offer of support it provides to those in recovery with a range of supported housing options for people who have either completed our programmes or are in recovery and in need of extra support. The projects are facilitated by highly skilled housing support staff, boasting many years' experience of working with customers with complex needs.

The newest addition in this year has seen us open two homelessness projects in Lancaster in partnership with Lancaster City Council, these work in conjunction with our wider services and further open our pathways.

Whilst customers reside in our supported housing properties, there is a requirement for them to undertake voluntary work or further education and training, as our long-term aim is to promote resettlement and help individuals to live fully independent lives.

Prison in reach and outreach support

The contract with Delphi Medical at HMP Manchester and HMP Buckley Hall has continued to demonstrate during 2018/19 the power of working in partnership with each other and the results that have emerged within these prisons has been recognised at the highest of levels. Programmes and models of working have this year been the focus in our prison settings, enabling us to work with a wider cohort of prisoners.

Structure, Governance and Management

Acorn Recovery Projects is a registered charity (Charity No. 1063589), incorporated and limited by guarantee (Company No. 3360545). Acorn owns 100% of the issued share capital of Delphi Medical Consultants Limited (Company No. 6944767) and Delphi Medical Limited (Company No. 69014150). Syncora Limited (registered number 11171831) was established in 2018 as a holding company with a common board for each of its subsidiaries which are; SafeNet, Acorn and Calico Enterprise. Syncora sits between the legal entities and the Calico Group Board. This arrangement was made to enhance continued growth by integrating service and company offers and allowing competition with larger scale 'lead' providers. Acorn has been successfully providing abstinence based drug and alcohol treatment since 1997, originally trading as ADAS (Alcohol and Drug Abstinence Service). The organisation changed its legal and operating name formally to Acorn Recovery Projects on the 1 November 2013, when it joined the Calico Group. Its registered office is Centenary Court, Croft Street, Burnley, BB11 2ED.

Appointment of Trustees

Syncora may by ordinary resolution appoint a person who has been approved by The Calico Group Limited.

The minimum number of Trustees per the Articles of Association is 5 and a maximum number of 12.

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019

Report of the Company Trustees (continued)

Induction, training and development of Trustees

A programme has been established to continuously develop professional and effective boards of trustees throughout the Calico Group so that they can manage business successfully. The main objectives of the programme are to:

- Strengthen the role of the boards.
- Equip Trustees to make considered decisions and address challenging problems.
- Ensure boards work within legal frameworks and comply with regulatory standards.

Establish boards as leaders with the vision to determine strategic direction.

Upon appointment new Trustees receive the following:

- A copy of the Statutory Information of the Incorporated Company;
- A copy of the most recent Annual Report and Accounts;
- Access to the Policy and Procedures manual;
- A copy of the Charity Commissioners Guide to the responsibilities of a Charity Trustee;

Copies of the previous minutes of Trustee Meetings.

Risk Management

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

Principle Risks and Uncertainties

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

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

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

Public Benefit

The programmes delivered by the Charity are available to anyone suffering from alcohol or drug addiction problems. Clients are referred by the judicial system or because of their own willingness to recover from addiction. The impact on the general society at large is significant if individuals abstain from their addiction as there is a clear linkage between drug and alcohol addiction and crime. Therefore, by helping people achieve and sustain abstinence, society benefits. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future objectives.

Plans for Future Periods

The next period for Acorn will see us focussing on nurturing relationships we have with providers that will be key to us retaining some of our already established contracts and new business as we move forward.

Acorns main area of expertise is residential and community rehab and this is where many providers have fallen out of the market place due to funding reductions. In areas where we have seen this happen Acorn seems to be

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

Plans for Future Periods continued...

benefitting from these unfortunate losses and key for us over the next 12 months is for us to ensure our quality is high and that we remain one of the providers left to survive this difficult period of funding.

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

NHF Code of Governance

As a Group we have chosen to adopt the NHF Code of Governance as an appropriate set of governance principles.

The Code deals with our Board, the way it operates, our constitution, the role of chair, the chief executive, equalities and probity, in fact everything which you would expect to see in a well-run Board and organisation. Each year, we are compliant where relevant to the NHF code of Governance - where we are not, we agree an action plan and do what is necessary to comply with the Code.

The Board certifies that the Company is pleased to report compliance with this Code where relevant for the year ended 31 March 2019 following an annual review that took place in March 2019.

Grahame Elliott has been on the Board for over 9 years. While we note that this is not best practise the Board and Audit Committee feel justified that he continues his role due to his understanding of drug and alcohol recovery and expert financial knowledge. This position will be reviewed annually.

Financial Review and Results for the year

Unrestricted Funds

The full accounts and the auditor's report start on page 10. The Statement of Recommended Practice for Charities (SORP) 2015 has been adopted in preparing this Report and Financial Statements.

The unrestricted income for the year was £2,934,405 (2018: £2,786,539). The total charitable support unrestricted expenditure was £3,129,992 (2018: £2,806,430) and this resulted in net incoming resources for unrestricted income of a deficit of £195,587 (2018: £19,891).

The unrestricted funds carried forward are £338,756 (2018: surplus £7,809).

Restricted Funds

Restricted Funds relating to support for specific expenditure was expended in the year in accordance with the relevant agreements.

Total Funds as at 31 March 2019

These amounted to £338,756 compared to £534,343 as at 31 March 2018.

Budget for 2019/20

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

Investment strategy

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

Future Funding

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

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

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

Future Funding continued...

Our other plans encompass more grant funding for smaller projects and a way of allowing us to pilot ideas and test the market, as opposed to entering vulnerable market places. We also are looking at partnering with a wider market of larger providers as a sub contractor, an example of this Virgin Care who relishes our expertise, however are vast enough to manage the risk on our behalf.

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

Reserves Policy

The objective of having unrestricted funds in reserve is to enable the charity to cope with unplanned events. Very often, the effects of the event can be managed in the long term, but the charity needs reserves in the meantime. There is no rule on how large reserves should be; this will depend a great deal on the nature of the charity's activities and the level of external risk perceived by the trustees. It will also depend on what other action the charity is taking to mitigate the effects of the external threats, as this will affect the level of reserves required.

The Syncora Reserves Policy states that we will aim to keep unrestricted reserves to cover at least two months of variable expenditure to cover costs that are not contract related where we may not have notice of changes. The current level of free reserves is -£652,000. This is a calculation of the unrestricted funds less the tangible fixed assets. We have not designated anything for essential future spending. Our targeted reserves level are £150,000. The company is committed to reduce the under provision over the next 5 years. This will take place through positive trading leading to the company holding the targeting unrestricted reserves.

The Trustees will monitor and review the level of reserves annually, in line with guidance issued by the Charity Commission.

Trustees' responsibilities statement

The trustees (who are also the directors of Acorn Recovery Projects for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing those financial statements, the 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 presume that the company will continue in business.

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

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

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2019
Report of the Trustees (continued)

Auditors

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

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

Beever and Struthers, Chartered Accountants and Statutory Auditor, have indicated their willingness to continue in office. A resolution to reappoint them as External Auditors will be proposed at the forthcoming annual general meeting.

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

Approved by the trustees and signed on their behalf by;

Stephen Aggett
Company Secretary
9 September 2019

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

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

Opinion

We have audited the financial statements of Acorn Recovery Projects "the charitable company" for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its loss 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 set out the accounting policies note, 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

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

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

Use of our report

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

Maria Hallows BA FCA DChA
(Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
St George's House
215/219 Chester Road
Manchester
M15 4JE
Date: 30 September 2019

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Statement of Financial Activities
for the year ended 31 March 2019

	Note	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Income					
Donations and legacies	2	122,380	-	122,380	83,014
Rent receivable		802,497	-	802,497	923,419
Income from charitable activities	3	2,009,528	10,151	2,019,679	1,829,003
Total income		<u>2,934,405</u>	<u>10,151</u>	<u>2,944,556</u>	<u>2,835,436</u>
Expenditure					
Expenditure on charitable activities	4	3,129,992	10,151	3,140,143	2,855,327
Total expenditure		<u>3,129,992</u>	<u>10,151</u>	<u>3,140,143</u>	<u>2,855,327</u>
Net (expenditure) for the year		(195,587)	-	(195,587)	(19,891)
Net movement in funds		(195,587)	-	(195,587)	(19,891)
Reconciliation of funds					
Total funds brought forward		534,343	-	534,343	554,234
Total funds carried forward	17	<u>338,756</u>	<u>-</u>	<u>338,756</u>	<u>534,343</u>

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

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

The notes on pages 13 to 26 form part of these financial statements

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Statement of Financial Position
at 31 March 2019

	Note	31 March 2019 £	31 March 2018 £
Fixed assets			
Tangible assets	9	990,698	999,850
Intangible assets	10	125,636	175,891
Investments in subsidiaries	11	37,598	37,598
		<hr/>	<hr/>
Total fixed assets		1,153,932	1,213,339
Current assets			
Debtors	12	1,158,161	579,803
Cash and bank balances		132,802	165,829
		<hr/>	<hr/>
		1,290,963	745,632
Creditors: amounts falling due within one year	13	1,852,037	1,142,685
		<hr/>	<hr/>
Net current (liabilities)/assets		(561,073)	(397,053)
Total assets less current liabilities		<hr/>	<hr/>
		592,859	816,286
Creditors: amounts falling due after more than one year	14	254,103	281,943
		<hr/>	<hr/>
Net assets		338,756	534,343
		<hr/> <hr/>	<hr/> <hr/>
Funds			
Unrestricted funds			
General fund	17	338,756	534,343
Restricted fund			
Restricted*	17	-	-
		<hr/>	<hr/>
Total charity funds		338,756	534,343
		<hr/> <hr/>	<hr/> <hr/>

**The previously disclosed restricted funds have been reclassified as unrestricted funds as detailed in note 17.*

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

The notes on pages 13 to 26 form part of these financial statements.

The financial statements were approved by the trustees and authorised for issue on 9 September 2019 and signed on their behalf by:

Richard Jones
Chair of the Board
9 September 2019

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Notes forming part of the financial statements for the year ended 31 March 2019

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

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (effective 1 January 2015) – ("Charities SORP (FRS 102)"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006, and are presented in sterling £ for the year ended 31 March 2019.

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

Reduced disclosure exemptions

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

Basis of consolidation

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

Going concern basis

After consideration of subsequent events involving secured debt restructuring and planned operating cost reductions, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the charity to continue as a going concern.

Fees

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

Donations, legacies and other voluntary income

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

Grants

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

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

Rent receivable

Rental income is accounted for on an accruals basis.

Restricted and unrestricted funds

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

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

1 Accounting policies (continued)

Restricted and unrestricted funds (continued)

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

Expenditure allocation and apportionment

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

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

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

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

Tangible fixed assets

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

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

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

Intangible assets

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

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

Taxation

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

Operating leases

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

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

Financial instruments

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

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Notes forming part of the financial statements
for the year ended 31 March 2019 (continued)

1 Accounting policies (continued)

Judgement and key sources of estimation uncertainty

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

2 Voluntary income

	Unrestricted funds	Restricted funds	2019 Total	2018 Total
	£	£	£	£
Donations and similar incoming resources	122,380	-	122,380	83,014
	<u>122,380</u>	<u>-</u>	<u>122,380</u>	<u>83,014</u>

A donation totalling £50,000 (2018: £50,000) was received from the Michael Bishop Foundation during the period.

3 Income from charitable activities

	Unrestricted funds	Restricted funds	2019 Total	2018 Total
	£	£	£	£
Reduction & motivational programmes	1,028,242	-	1,028,242	998,437
Tier 4 treatment SPOT	759,254	-	759,254	531,725
Supporting people services	103,454	-	103,454	173,225
<u>Social Enterprises</u>				
Education/training & employment	118,577	10,151	128,728	124,136
VAT partial exemption	-	-	-	1,480
Total income from charitable activities	<u>2,009,528</u>	<u>10,151</u>	<u>2,019,679</u>	<u>1,829,003</u>
Contract income	1,119,769	-	1,119,769	1,154,146
Activities from generating funds	889,759	10,151	899,910	673,377
VAT partial exemption	-	-	-	1,480
	<u>2,009,528</u>	<u>10,151</u>	<u>2,019,679</u>	<u>1,829,003</u>

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

4 Expenditure on charitable activities

	Therapy	Housing	Admin	2019 Total	2018 Total
	£	£	£	£	£
Employee costs	1,487,235	484,202	-	1,971,437	1,881,151
Client and volunteer expenses	87,964	3,364	-	91,328	73,987
Rent, rates, insurance and utilities	85,310	247,064	-	332,374	402,892
Property Costs	34,023	22,549	-	56,572	63,268
Other staff costs	150,296	12,611	-	162,907	132,654
Printing, stationery and postage	15,172	4,561	-	19,733	23,033
Finance Costs	2,097	8,280	-	10,377	16,046
Legal and professional fees	-	-	28,925	28,925	36,241
Depreciation & Goodwill	69,404	11,455	-	80,859	(21,959)
Transport Costs	26,153	2,528	-	28,681	21,777
H&S, fire & security	9,554	99,981	-	109,535	29,278
Recharges and write offs	-	-	213,419	213,419	136,064
Housing Maintenance	6,768	20,778	-	27,546	54,919
<u>Governance costs</u>					
Audit fees	-	-	6,450	6,450	5,976
	<u>1,973,976</u>	<u>917,373</u>	<u>248,794</u>	<u>3,140,143</u>	<u>2,855,327</u>

5 Net (income)/expenditure

	Note	2019 £	2018 £
This is after charging:-			
Auditor's remuneration		6,450	5,976
Depreciation of tangible fixed assets		30,604	30,847
Amortisation of intangible fixed assets	10	50,255	50,154
Gain on disposal of fixed assets		-	(99,946)
		<u> </u>	<u> </u>

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Notes forming part of the financial statements
for the year ended 31 March 2019 (continued)

6 Employees

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

	2019	2018
	Number	Number
Counselling and therapy	44	43
Finance and administration	12	7
Business Development	3	2
Housing Support Staff	21	26
	<u>80</u>	<u>78</u>

Staff costs consist of:	£	£
Salaries	1,761,871	1,708,566
Social security costs	162,229	158,979
Termination payments	14,366	2,126
Pension contributions	32,969	18,125
	<u>1,971,435</u>	<u>1,887,796</u>

Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:	2019	2018
	Number	Number
Between £70,000 - £80,000	1	1
Between £120,000 - £130,000	-	1
	<u>-</u>	<u>1</u>

7 Board members and key management personnel remuneration

	2019	2018
	£	£
The aggregate emoluments paid to or receivable by trustees	-	-
The aggregate emoluments paid to or receivable by company lead	75,775	196,857
The emoluments paid to the highest paid officer excluding pension contributions	66,440	122,790
Pension cost for company lead	1,329	654
The aggregate amount of any consideration payable to / (receivable from) third parties for making available the services of executive officers	-	(84,981)
Total key management personnel remuneration	<u>75,775</u>	<u>196,857</u>

Trustees' emoluments

Trustees are members of the Syncora Limited Board a holding company with a common board for each of its subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £41,000 in 2019 (2018: £2,000). The previous trustee's received reimbursement in respect of mileage and parking in 2018: £371.

The Syncora Board receive annual salaries. The Chair receives £5,000 and all other Board members £3,500.

Grahame Elliott has been on the Board for over 9 years. While we note that this is not best practise the Board and Audit Committee feel justified that he continues his role due to his understanding of drug and alcohol recovery and expert financial knowledge. This position will be reviewed annually.

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

8 Interest payable			2019	2018		
			£	£		
Bank mortgages			8,346	1,582		
Other bank			-	1,999		
			<u>8,346</u>	<u>3,581</u>		
9 Tangible Fixed assets						
	Leasehold property	Freehold property	Motor vehicles	Computer equip fixtures and fittings	Freehold improvements	Total
	£	£	£	£	£	£
<i>Cost or Valuation</i>						
At 31 March 2018	485,002	532,990	5,100	116,857	108,519	1,248,468
Additions	-	-	-	21,452	-	21,452
Disposals	-	-	-	-	-	-
At 31 March 2019	<u>485,002</u>	<u>532,990</u>	<u>5,100</u>	<u>138,309</u>	<u>108,519</u>	<u>1,269,920</u>
<i>Depreciation</i>						
At 31 March 2018	19,400	44,415	638	75,646	108,519	248,618
Charge for period	4,850	5,330	1,275	19,149	-	30,604
Disposals	-	-	-	-	-	-
At 31 March 2019	<u>24,250</u>	<u>49,745</u>	<u>1,913</u>	<u>94,795</u>	<u>108,519</u>	<u>279,222</u>
Net Book Value						
31 March 2019	<u>460,752</u>	<u>483,245</u>	<u>3,188</u>	<u>43,513</u>	<u>-</u>	<u>990,698</u>
31 March 2018	<u>465,602</u>	<u>488,575</u>	<u>4,462</u>	<u>41,211</u>	<u>-</u>	<u>999,850</u>

All assets are held for direct charitable purposes.

The freehold relating to the leasehold property is owned by the subsidiary Alcohol and Drug Abstinence Service (Management) Limited (see note 12).

The freehold property at Magda Road and Newton Place acquired in 2009 are subject to a fixed charge. Further details are disclosed in note 17.

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

10 Intangible Fixed assets

	Goodwill £	Total £
<i>Cost or Valuation</i>		
At 31 March 2018	251,273	251,273
	-----	-----
At 31 March 2019	251,273	251,273
<i>Amortisation</i>		
At 31 March 2018	75,382	75,382
Charge for period	50,255	50,255
	-----	-----
At 31 March 2019	125,637	125,637
<i>Net Book Value</i>		
31 March 2019	<u>125,636</u>	<u>125,636</u>
31 March 2018	<u>175,891</u>	<u>175,891</u>

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

11 Investments in subsidiaries

	2019 £	2018 £
ADAS	1	1
Delphi	<u>37,597</u>	<u>37,597</u>
	37,598	37,598
	=====	=====

ADAS

The charity owns 100% of the issued share capital of Alcohol and Drug Abstinence Service (Management) Limited, a company incorporated in England and Wales (Company No. 6545855). This company was formed to hold the freehold interest in one of the leasehold properties occupied by the charity. At 31 March 2019, the non-trading company had net assets of £1 (2018: £1) and allotted share capital of £1 (1 £1 ordinary share).

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

Delphi

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

At 31 March 2019, Delphi had net liabilities £1,170,923 (2018: £705k) following a loss for the year £466,253 (2018: £475,280) and allotted share capital of £1,004 (1,004 £1 ordinary shares).

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

	2019 £	2018 £
Trade debtors	442,661	253,869
VAT	-	3
Intercompany balance	644,890	294,100
Prepayments	50,067	19,592
Staff loans & deposits	<u>20,544</u>	<u>12,239</u>
	1,158,161	579,803
	=====	=====

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

13 Creditors: amounts due within one year

	2019 £	2018 £
Bank loans (secured)	35,676	35,207
VAT	1,638	
Trade creditors	55,974	51,689
Salary control	7,497	43,636
Other creditors	-	3,054
Accruals	41,636	43,906
Intercompany balances	1,709,616	965,193
	1,852,037	1,142,685

14 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans (secured)	254,103	281,943
	254,103	281,943
Bank loans payable by instalments as follows:-		
Between two and five years	142,703	140,286
After five years	111,401	141,657
	254,103	281,943

Loan account no.	Expiry	Interest Rate %	Legal charge	Balance £
44461770	April 2028	2.56%	Rosemary Court	289,779

The total bank loans of £289,779 (2018: £317,150) are secured by legal charges on Rosemary Court leasehold property. At 31 March 2019, this property has a net book value of £460,750 (2018: £465,600).

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fixed assets	646,545	507,387	1,153,932
Current assets	1,290,963	-	1,290,963
Current liabilities	(1,852,036)	-	(1,852,036)
Long term liabilities	(254,103)	-	(254,103)
Net assets at 31 March 2018	(168,631)	507,387	338,756

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

16 Financial commitments

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

	2019	2018
	Land and buildings	Land and buildings
	£	£
Expiry date:		
In less than one year	14,779	276
In two to five years	-	-
	<u> </u>	<u> </u>
	Equipment	Equipment
	£	£
Expiry date:		
In less than one year	3,996	19,521
In two to five years	7,972	24,378
	<u> </u>	<u> </u>

17 Movement in funds

	At 31 March 2018 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2019 £
Restricted funds					
NHS National*	-	-	-	-	-
NHS Psychologist	-	10,151	(10,151)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted funds	-	10,151	(10,151)	-	-
Unrestricted funds	534,343	2,934,405	(3,129,992)	-	338,756
Total funds	<u>534,343</u>	<u>2,944,556</u>	<u>(3,140,073)</u>	<u> </u>	<u>338,756</u>

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

18 Contingent Liability

NHS National Treatment Agency for Substance Misuse - During the year ended 30 September 2010 the charity was awarded and received two grants totalling £670,135, under the Department for Health 2009–2010 Capital Funding Scheme, to acquire two further houses for accommodation. These grants are repayable on a pro-rata basis over 35 years from acquisition date if the charity ceases to provide Recovery Community Services in accordance with those currently offered within those two properties. The potential repayment is secured by a fixed charge on these properties and is restricted to the pro-rata proceeds on the sale of either property. £507,387 (2018: £526,534)

19 Company exempt from requirement to use the word “Limited”

The company complies with section 30(3) of the Companies Act 2006 and is therefore exempt from using the word “Limited” in its title.

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

19 Company limited by guarantee

The company has no share capital. The liability to the members in respect of the guarantee as set out in the company's memorandum of association is limited to £1 per member. The number of members at the year end was 1 (2017: 1).

20 Parent undertaking

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

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

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

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

No other accounts include the results of this charity.

21 Related party transactions

GN Elliott, a Syncora Trustee, is also Trustee of the Michael Bishop Foundation which donated £50,000 to the Charity during the year ended 31 March 2019 (2018: £50,000).

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

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

The Calico Group Limited ("Group"), the ultimate parent company

There were no transactions during the year (2018: £Nil).

At 31 March 2019, the company owed to Group £Nil (2018: £2,000).

Syncora Limited ("Group"), the parent company

Trustees are members of the Syncora Limited Board a holding company with a common board for each of its subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £41,000 in 2019 (2018: £2,000).

During the year, Syncora recharged the company £45,000 (2018: £Nil).

At 31 March 2019, the company owed to Syncora £26,000 (2018: £2,000).

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

During the year, Homes recharged office costs and rents amounting to £242,000 (2018: £211,000).

At 31 March 2019, the company owed Homes £1,612,000 (2018: £839,000).

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

During the year, Enterprise had transactions of £Nil (2018: £1,000).

At 31 March 2019, Enterprise owed the company £9,000 (2018: £17,000). This is due to a re-allocation of costs during the year.

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

During the prior year, Safenet lent Acorn £100,000 at an interest rate of base rate plus 1% and repayable by 31 March 2020.

At 31 March 2019, the company owed Safenet net including the above £72,000 (2018: £92,000).

ACORN RECOVERY PROJECTS
(a company limited by guarantee number 3360545)

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

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

During the year, The Company supplied no services £Nil (2018: £Nil). The company and DMC deliver joint contracts. The money for these contracts goes into Delphi.

At 31 March 2019, DMC owed the company £587,000 (2018: £107,000).

Delphi Medical Limited (“Delphi”), a subsidiary of Acorn

During the 2017, the company lent Delphi £170,000 at an interest rate of base rate plus 1% and repayable by 31 March 2020.

At 31 March 2019, Delphi owed the company £50,000 including the above (2018: £172,000).