

COMPANY NUMBER: 3360545  
CHARITY NUMBER: 1063589

# **ACORN RECOVERY PROJECTS**

**(A COMPANY LIMITED BY GUARANTEE)**

**Report and Financial Statements**

**Year ended 31 March 2020**

DRAFT

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## Directors, Executive Officers, Advisors and Bankers

### Directors

Richard Jones CBE (Chair)  
Karen Ainsworth (Vice chair)

Anne Coates  
Graham N Elliott CBE  
Andrew Henderson  
Mushtaq Khan  
Sharon Livesey  
Lynn McCracken  
Georgina Nolan (resigned 6 July 2020)  
Michelle Pilling  
Kelly Shaw

### Company Secretary

Stephen Aggett

### Registered Office

Centenary Court  
Croft Street  
Burnley  
BB11 2ED

### Registered Number

06329047

### Charity Number

1125312

### External Auditor

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

### Solicitor

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

### Bankers

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

## Report of the Directors

The directors are pleased to present their annual Directors' report together with the financial statements of the charity for the year ending 31 March 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The directors are also the company trustees for Charity purposes.

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

### Principal activities

Acorn Recovery Projects was incorporated as a not for profit, charitable company limited by guarantee to provide an innovative range of recovery services which enable individuals and their families to break free from drug, alcohol and other addictions. 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, 85-90% 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 towards fully independent living.

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

### Objectives and Activities

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

### Acorn's Vision:

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

### 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 individuals 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
- Wellbeing RAMP  
Based on the Five Ways to Wellbeing (Connect, Be Active, Take Notice, Keep Learning and Give) a set of evidence-based actions to promote people's wellbeing.
- DEAP (Dependency, Emotional, Attachment Programme)  
Explores addiction at a personal level for motivation for long-term recovery.

## Report of the Directors (continued)

### Objectives and Activities continued

- 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.

### Public Benefit

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

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

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

### Achievements and Performance

#### Volunteering

Volunteers are an integral part of our work, and we value immensely their dedication and support. In return for their commitment and time, 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.

Colin – a recent volunteer writes;

"I was a using drug addict for more years than I can remember. I was addicted to crack and heroin for over 25 years and walked over my family and friends to get it. Because of my addiction, I lost everything including my self respect my confidence and nearly my life on several occasions.

I didn't think there was a way out until I came into Acorn Recovery Projects. Over two years ago I started an intense program that involved a 12 step program of recovery. They gave me the tools to cope in any situation and allowed me to grow through volunteering for them. I have changed so much because of what I learned through Acorn Recovery and will be forever grateful to them.

I have recently accepted a job outside of Acorn. This I would not have achieved without their help and continued support. Acorn really has given me a life worth living. Forever grateful, Colin"

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 offers private 1-1 counselling further diversifying our offer and utilising the unique skills of our counselling and therapy team. During 19/20 we continued to deliver IAPT interventions commissioned by the Mindsmatters team in East Lancashire and remain on the LSCFT provider framework.

#### Community Services

Acorn works within a range of community settings alongside partner agencies including Delphi Medical Ltd, Change Grow Live (CGL), New Leaf, Greater Manchester Health and Social Care Partnership and Lancashire and South Cumbria Foundation Trust. In 2020, utilising the knowledge and skills of people with lived experience, our Peer Support Workers worked in partnership with the Community Mental Health teams on the Fylde Coast to reach people who required additional support to live a healthy and fulfilling life. The Acorn AEP service (Alcohol Exposed Pregnancies) was developed to deliver 1:1 and group support to women and their families and/or partners who were at risk of an alcohol exposed pregnancy and raise awareness of FASD (Fetal Alcohol Spectrum Disorder).

## Report of the Directors (continued)

### Supported Housing

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

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

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

### Prison in reach and outreach support

The contract with Delphi Medical at HMP Manchester and HMP Buckley Hall has continued to demonstrate during 2019/20 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. Recent HMIP inspections were extremely positive and the Everyday Safe programme was piloted in HMP Buckley with favourable reviews from the inmates.

### Social Enterprise

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

### Badkamra

Badkamra is a social enterprise film and media production company set up to promote recovery and provide inspiration to others. The team film real stories that evoke emotions and allow the viewer to connect to the person in front of the camera, hence their tag line 'Pictures that Move'. During 2019/20 alongside commissions from the wider Calico Group, Badkamra also worked with local NHS trusts, the Tom Harrison Centre and beautifully captured the impact of residential rehabilitation on both the client and their family members with Acorn's video graduations.

A range of film productions created by Badkamra can be seen by visiting: [www.badkamra.co.uk](http://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. This year has seen the Academy continue to work wider in The Calico Group, specifically with Calico Enterprise and grow and widen their educational offer and enhance their reputation.

This year saw the launch of the Everyday Safe perpetrator programme, a domestic violence perpetrator programme in association with SafeNet. The programme aims to support perpetrators of domestic abuse to address unhealthy behaviours and work towards increased emotional intelligence and self awareness to promote safety for women and children. The programme has been delivered in prisons and the community.

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.
- Personal Development Programme (PDP) is a four-week personal development programme focussing on behaviour, self-awareness, resilience and emotional intelligence.
- Right Start Programme: the programme, developed by the Academy in partnership with secondary schools, focuses on emotional intelligence, confidence and motivation to help the students understand themselves as individuals and address any challenging behaviour and limiting beliefs.

In 2019-20, 604 learners have benefitted from the courses and programmes developed and facilitated by the Academy.

## Report of the Directors (continued)

### Structure, Governance and Management Structure

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

### Group Structure

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

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

### Staff Performance

We are able to attract a wide range of staff from different backgrounds to our business. The diversity of our employees within Acorn Recovery Projects Limited is 55% male, 45% female, 10% who self-identify as disabled and 13% from a BME background. The latter 2 measures are largely reflective of the communities we serve

### Conflict Resolution Policy

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

### Governing Document

Acorn Recovery Projects is a registered charity (Charity No. 1063589) with the Charity Commission.

### Appointment of Directors

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

The minimum number of Directors per the Articles of Association is 3 and a maximum of 12.

### Induction, training and development of Directors

A programme has been established to continuously develop professional and effective boards of directors 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 Directors 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 Directors 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.

### Principal Risks and Uncertainties

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

## Report of the Directors (continued)

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

### Plans for Future Periods

The next period will see Acorn 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 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.

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

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.

### Covid-19

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

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

### Going Concern

At the time of signing the Financial Statements, COVID-19 has been declared a pandemic. The Calico Group Board is confident that Acorn Recovery Projects remains a Going Concern for the following reasons:

Following the lockdown announcement in March 2020 the Group Board instigated its Business Continuity arrangements, which meant that all services within Acorn Recovery Projects that were able to be delivered safely were able to continue. These included services required by and provided to vulnerable tenants within Lancashire Housing, additional services required by local councils to allow for government compliance, supporting the amendments to compliance changes to projects within the Prisons and the transition of face to face communication to interactive communication for delivering essential therapies. Acorn Recovery Projects took advantage of the Furlough scheme offered by the government as the business felt the impact on the Training Academy and Bad Kamra, with services halting. The furlough income significantly reduced the negative financial impact on the business, predominantly due to the reduction of income from these halted services.

Local Authority Grant income has been received by Acorn Recovery Projects which has assisted the organisation when demonstrating their ability to maintain a positive cash position.

The lockdown restrictions started to be lifted in June 2020, since then we have started to remobilise the business including un-furloughing the staff back into their previous roles where practical.

Stress testing of the business included scenarios for the areas that are likely to be most affected by the pandemic, the pausing of projects and increases in demand for vulnerable services. All the scenarios tested demonstrate that the business has sufficient funds to cover potential increases in costs because of COVID-19.

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

### NHF Code of Governance

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 do not, we agree an action plan and do what is necessary to comply with the Code.



## Report of the Directors (continued)

The Board certifies that the Company is pleased to report full compliance with this Code where relevant for the year ended 31 March 2020 following an annual review that took place in March 2020.

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.

### **Budget for 2020/21**

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

### **Investment strategy**

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

### **Future Funding**

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

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

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

The major key funding plan is to stay ahead of the changes and adapt as quickly and rapidly 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 directors. 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 -£673,000. This is a calculation of the unrestricted funds less the tangible & intangible fixed assets. We have not designated anything for essential future spending. Our targeted 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 Directors will monitor and review the level of reserves annually, in line with guidance issued by the Charity Commission. As a result of this, we do not have to retain large reserves and the current level of unrestricted reserves is sufficient for this. However, reserves are also built up to enable investment in accommodation to grow and expand the service. This will be over and above those reserves represented by fixed assets within the charity's balance sheet.

### **Directors' responsibilities statement**

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

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

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

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

## Report of the Directors (continued)

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

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

### **Auditors**

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

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

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

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

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

Stephen Aggett  
**Company Secretary**  
Date: 7th September 2020  
For the year ended 31 March 2020

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

### Opinion

We have audited the financial statements of Acorn Recovery Projects Limited for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources 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 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.

### Material uncertainty relating to going concern

We draw your attention to note 1, specifically the going concern accounting policy, in the financial statements, which indicates that the company is owed £953k by a related company and there are some doubts around the recoverability of this balance. As stated in note 1, specifically the going concern accounting policy, these event or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors (who are also the 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

## **Independent Auditor's Report to the members of Acorn Recovery Projects Limited Cont'd...**

### **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 directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors (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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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

Lee Cartwright (Statutory Auditor)  
For and on behalf of  
BEEVER AND STRUTHERS  
Statutory Auditor  
St George's House  
215/219 Chester Road  
Manchester M15 4JE

Date: 9 October 2020

## Statement of Financial Activities

For the year ended 31 March 2020

	Note	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	2019 Total £'000
<b>Income</b>					
Donations and legacies	2	30	-	30	122
Rent receivable		950	-	950	803
Income from charitable activities	3	2,770	-	2,770	2,020
<b>Total income</b>		<u>3,750</u>	<u>-</u>	<u>3,750</u>	<u>2,945</u>
<b>Expenditure</b>					
Expenditure on charitable activities	4	3,686	-	3,686	3,140
<b>Total expenditure</b>		<u>3,686</u>	<u>-</u>	<u>3,686</u>	<u>3,140</u>
<b>Net (expenditure) for the year</b>		64	-	64	(195)
<b>Net movement in funds</b>		64	-	64	(195)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>339</u>	<u>-</u>	<u>339</u>	<u>534</u>
Total funds carried forward	17	<u>403</u>	<u>-</u>	<u>403</u>	<u>339</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 12 to 21 form part of these financial statements

## Statement of Financial Position

At 31 March 2020

	Note	31 March 2020 £'000	31 March 2019 £'000
<b>Fixed assets</b>			
Tangible assets	9	963	991
Intangible assets	10	75	125
Investments in subsidiaries	11	38	38
<b>Total fixed assets</b>		<u>1,076</u>	<u>1,154</u>
<b>Current assets</b>			
Debtors	12	1,485	1,158
Cash and bank balances		51	133
		<u>1,536</u>	<u>1,291</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>1,984</u>	<u>1,852</u>
<b>Net current (liabilities)/assets</b>		(448)	(561)
<b>Total assets less current liabilities</b>		<u>628</u>	<u>593</u>
<b>Creditors: amounts falling due after more than one year</b>	14	225	254
<b>Net assets</b>		<u>403</u>	<u>339</u>
<b>Funds</b>			
<b>Unrestricted funds</b>			
General fund	17	403	339
<b>Restricted fund</b>			
Restricted*	17	-	-
<b>Total charity funds</b>		<u>403</u>	<u>339</u>

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 12 to 21 form part of these financial statements.

The financial statements were approved by the directors and authorised for issue on 7th September 2020 and signed on their behalf by:

Stephen Aggett  
**Company Secretary**  
7th September 2020

## Notes to the Financial Statements

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

### 1 Accounting policies

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

#### *Basis of preparation*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (Updated 1 January 2019) – ("Charities SORP (FRS 102)"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006, and are presented in sterling £ for the year ended 31 March 2020.

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

#### *Reduced disclosure exemptions*

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

#### *Basis of consolidation*

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

#### *Going concern basis*

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

At the time of signing the Financial Statements, COVID-19 has been declared a pandemic. The Group Board is confident that Acorn Recovery Projects remains a Going Concern for the following reasons:

Following the lockdown announcement in March 2020 the Group Board instigated its Business Continuity arrangements, which meant that all services within Acorn Recovery Projects that were able to be delivered safely were able to continue. These included services required by and provided to vulnerable tenants within Lancashire Housing, additional services required by local councils to allow for government compliance, supporting the amendments to compliance changes to projects within the Prisons and the transition of face to face communication to interactive communication for delivering essential therapies. Acorn Recovery Projects took advantage of the Furlough scheme offered by the government as the business felt the impact on the Training Academy and Bad Kamra, with services halting. The furlough income significantly reduced the negative financial impact on the business, predominantly due to the reduction of income from these halted services.

Local Authority Grant income has been received by Acorn Recovery Projects which has assisted the organisation when demonstrating their ability to maintain a positive cash position.

The lockdown restrictions started to be lifted in June 2020, since then we have started to remobilise the business including un-furloughing the staff back into their previous roles where practical.

Stress testing of the business included scenarios for the areas that are likely to be most affected by the pandemic, the pausing of projects and increases in demand for vulnerable services. All the scenarios tested demonstrate that the business has sufficient funds to cover potential increases in costs because of COVID-19.

Acorn Recovery Projects is owed £953k by Delphi Medical Consultants Limited, a company with net assets of £114k. Delphi Medical Consultants Limited is owed £1.5m by Delphi Medical Limited, a company with net current liabilities of £1,579k and total net liabilities of £1,583k. Should this debt not be recovered, Delphi Medical Consultants Limited may be unable to meet its obligation to Acorn Recovery Projects

#### *Fees*

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

#### *Donations, legacies and other voluntary income*

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

## Notes to the Financial Statements (continued)

### 1 Accounting policies (continued)

#### *Grants*

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

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

#### *Rent receivable*

Rental income is accounted for on an accruals basis.

#### *Restricted and unrestricted funds*

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

#### *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.



## Notes to the Financial Statements (continued)

### 1 Accounting policies (continued)

#### *Financial instruments*

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

#### *Judgement and key sources of estimation uncertainty*

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

### 2 Voluntary income

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2020 Total</b>	<b>2019 Total</b>
	£'000	£'000	£'000	£'000
Donations and similar incoming resources	30	-	30	122
	<u>30</u>	<u>-</u>	<u>30</u>	<u>122</u>

A donation totalling £25,000 (2019: £50,000) was received from the Michael Bishop Foundation during the period.

### 3 Income from charitable activities

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2020 Total</b>	<b>2019 Total</b>
	£'000	£'000	£'000	£'000
Reduction & motivational programmes	845	-	845	1,028
Tier 4 treatment SPOT	1,716	-	1,716	759
Supporting people services	104	-	104	104
<u>Social Enterprises</u>				
Education/training & employment	105	-	105	129
VAT partial exemption	-	-	-	-
Total income from charitable activities	<u>2,770</u>	<u>-</u>	<u>2,770</u>	<u>2,020</u>
Contract income	1,704	-	1,704	1,120
Activities from generating funds	1,066	-	1,066	900
VAT partial exemption	-	-	-	-
	<u>2,770</u>	<u>-</u>	<u>2,770</u>	<u>2,020</u>

## Notes to the Financial Statements (continued)

### 4 Expenditure on charitable activities

	<b>Therapy</b>	<b>Housing</b>	<b>Admin</b>	<b>2020</b>	<b>2019</b>
	£'000	£'000	£'000	<b>Total</b>	<b>Total</b>
				£'000	£'000
Employee costs	1,691	553	241	2,485	1,971
Client and volunteer expenses	68	11	-	79	91
Rent, rates, insurance and utilities	76	285	1	362	332
Property Costs	47	24	1	72	57
Other staff costs	129	17	18	164	163
Printing, stationery and postage	18	5	-	23	20
Finance Costs	2	8	-1	9	10
Legal and professional fees	-	-	48	48	29
Depreciation & Goodwill	69	11	-	80	81
Transport Costs	27	2	-	29	29
H&S, fire & security	12	93	-	105	110
Recharges and write offs	-	-	188	188	213
Housing Maintenance	6	33	-	39	28
<u>Governance costs</u>					
Audit fees	-	-	3	3	6
	<u>2,145</u>	<u>1,042</u>	<u>499</u>	<u>3,686</u>	<u>3,140</u>

### 5 Net (income)/expenditure

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		£'000	£'000
This is after charging:-			
Auditor's remuneration		3	6
Depreciation of tangible fixed assets	9	30	31
Amortisation of intangible fixed assets	10	50	50
Gain on disposal of fixed assets		-	-
		<u>          </u>	<u>          </u>

## Notes to the Financial Statements (continued)

### 6 Employees

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Counselling and therapy	62	44
Finance and administration	6	12
Business Development	2	3
Housing Support Staff	25	21
	<u>95</u>	<u>80</u>

Staff costs consist of:	£'000	£'000
Salaries	2,227	1,762
Social security costs	207	162
Termination payments	-	14
Pension contributions	55	33
	<u>2,489</u>	<u>1,971</u>

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:		
Between £70,000 - £80,000	<u>1</u>	<u>1</u>

### 7 Board members and key management personnel remuneration

	<b>2020</b>	<b>2019</b>
	£'000	£'000
The aggregate emoluments paid to or receivable by directors	42	41
The aggregate emoluments paid to or receivable by company lead	83	76
The emoluments paid to the highest paid officer excluding pension contributions	71	66
Pension cost for company lead	2	1
The aggregate amount of any consideration payable to / (receivable from) third parties for making available the services of executive officers	-	-
total key management personnel remuneration	<u>83</u>	<u>76</u>

#### Directors' emoluments

Directors are members of the Syncora Limited Board a holding company with a common board for each of its subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £42,000 in 2020 (2019: £41,000). The previous directors received no remuneration in 2019.

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

## Notes to the Financial Statements (continued)

### 8 Interest payable

	2020	2019
	£'000	£'000
Bank mortgages	8	8
Other bank	-	-
	<u>8</u>	<u>8</u>

### 9 Tangible Fixed assets

	Leasehold property £'000	Freehold property £'000	Motor vehicles £'000	fixtures and fittings £'000	Freehold improvements £'000	Total £'000
<i>Cost or Valuation</i>						
At 31 March 2019	485	533	5	138	109	1,270
Additions	-	-	-	2	-	2
Disposals	-	-	-	-	-	-
At 31 March 2020	<u>485</u>	<u>533</u>	<u>5</u>	<u>140</u>	<u>109</u>	<u>1,272</u>
<i>Depreciation</i>						
At 31 March 2019	24	50	2	95	109	279
Charge for period	5	5	1	18	-	30
Disposals	-	-	-	-	-	-
At 31 March 2020	<u>29</u>	<u>55</u>	<u>3</u>	<u>113</u>	<u>109</u>	<u>309</u>
<b>Net Book Value</b>						
<b>31 March 2020</b>	<u><b>456</b></u>	<u><b>478</b></u>	<u><b>2</b></u>	<u><b>27</b></u>	<u><b>-</b></u>	<u><b>963</b></u>
31 March 2019	<u>461</u>	<u>483</u>	<u>3</u>	<u>44</u>	<u>-</u>	<u>991</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.

## Notes to the Financial Statements (continued)

### 10 Intangible Fixed assets

	Goodwill £'000	Total £'000
<i>Cost or Valuation</i>		
At 31 March 2019	251	251
At 31 March 2020	251	251
<i>Amortisation</i>		
At 31 March 2019	126	126
Charge for period	50	50
At 31 March 2020	176	176
<i>Net Book Value</i>		
31 March 2020	<u>75</u>	<u>75</u>
31 March 2019	<u>126</u>	<u>126</u>

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

### 11 Investments in subsidiaries

	2020 £	2019 £
ADAS	1	1
Delphi	<u>37,597</u>	<u>37,597</u>
	<u>37,598</u>	<u>37,598</u>

#### 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 2020, the non-trading company had net assets of £1 (2019: £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 2020, Delphi had net liabilities £1,469,000 (2019: £1,171,000) following a loss for the year £298,000 (2019: £466,000) and allotted share capital of £1,004 (£1,004 £1 ordinary shares).

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

	2020 £'000	2019 £'000
Trade debtors	488	443
VAT	-	-
Intercompany balance	956	645
Prepayments	28	50
Staff loans & deposits	<u>14</u>	<u>20</u>
	<u>1,485</u>	<u>1,158</u>

## Notes to the Financial Statements (continued)

### 13 Creditors: amounts due within one year

	2020 £'000	2019 £'000
Bank loans (secured)	36	36
VAT	-	2
Trade creditors	64	56
Salary control	12	7
Deferred Income	31	-
Accruals	37	42
Intercompany balances	1,804	1,709
	<u>1,984</u>	<u>1,852</u>

### 14 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Bank loans (secured)	225	254
	<u>225</u>	<u>254</u>

Bank loans payable by instalments as follows:-

Between two and five years	144	143
After five years	81	111
	<u>225</u>	<u>254</u>

Loan account no.	Expiry	Interest Rate %	Legal charge	Balance £
44461770	April 2028	2.56%	Rosemary Court	261,000

The total bank loans of £261,000 (2019: £290,000) are secured by legal charges on Rosemary Court leasehold property. At 31 March 2020, this property has a net book value of £456,000 (2019: £461,000).

### 15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Fixed assets	1,076	-	1,076
Current assets	1,554	-	1,554
Current liabilities	(2,002)	-	(2,002)
Long term liabilities	(225)	-	(225)
Net assets at 31 March 2020	<u>403</u>	<u>-</u>	<u>403</u>

## Notes to the Financial Statements (continued)

### 16 Financial commitments

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

	<b>2020</b>	<b>2019</b>
	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>£'000</b>	<b>£'000</b>
<b>Expiry date:</b>		
In less than one year	15	15
In two to five years	-	-
	<u>          </u>	<u>          </u>
	<b>Equipment</b>	<b>Equipment</b>
	<b>£'000</b>	<b>£'000</b>
<b>Expiry date:</b>		
In less than one year	5	4
In two to five years	7	8
	<u>          </u>	<u>          </u>
	<b>Vehicles</b>	<b>Vehicles</b>
	<b>£'000</b>	<b>£'000</b>
<b>Expiry date:</b>		
In less than one year	1	-
In two to five years	-	-
	<u>          </u>	<u>          </u>

### 17 Movement in funds

	<b>At 31</b>				<b>At 31</b>
	<b>March</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>March</b>
	<b>2019</b>	<b>resources</b>	<b>resources</b>	<b>£'000</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Total restricted funds</b>	-	-	-	-	-
<b>Unrestricted funds</b>	339	3,750	(3,686)	-	403
<b>Total funds</b>	<u>339</u>	<u>3,750</u>	<u>(3,686)</u>	<u>-</u>	<u>403</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. £488,000 (2019: £507,000)

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

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

### 20 Company limited by guarantee

The company has no share capital. The liability to the members in respect of the guarantee as set out in the company's memorandum of association is limited to £1 per member. The number of members at the year end was 1 (2019: 1).

## Notes to the Financial Statements (continued)

### 21 Parent undertaking

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

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

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

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

No other accounts include the results of this charity.

### 22 Related party transactions

GN Elliott, an Acorn Director, is also Trustee of the Michael Bishop Foundation which donated £25,000 to the Charity during the year ended 31 March 2020 (2019: £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.

#### **Syncora Limited** ("Group"), the parent company

Directors are members of the Syncora Limited Board a holding company with a common board for each of its subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £42,000 in 2020 (2019: £41,000).

During the year, Syncora recharged the company £14,000 (2019: £45,000).

At 31 March 2020, the company owed to Syncora £1,000 (2019: £26,000).

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

During the year, Homes recharged office costs and rents amounting to £252,000 (2019: £242,000).

At 31 March 2020, the company owed Homes £1,224,000 (2019: £1,612,000).

#### **Ring Stones Maintenance and Construction LLP** ("Ringstones"), a fellow subsidiary of Group

During the year, Ringstones lent Acorn £500,000 at an interest rate of base rate plus 1% and repayable by 31 March 2021.

At 31 March 2020, the company owed Ring Stones net including the above £500,000 (2019: £Nil).

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

During the year, Enterprise had transactions of £Nil (2019: £Nil).

At 31 March 2020, Enterprise owed the company £3,000 (2019: £9,000). 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 a prior year, Safenet lent Acorn £100,000 at an interest rate of base rate plus 1% and repayable by 31 March 2021.

At 31 March 2020, the company owed Safenet net including the above £78,000 (2019: £72,000).

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

During the year, The Company supplied no services £Nil (2019: £Nil). The company and DMC deliver joint contracts. The money for these contracts goes into Delphi.

At 31 March 2020, DMC owed the company £954,000 (2019: £587,000).

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

During a prior year, the company lent Delphi £170,000 at an interest rate of base rate plus 1% and repayable by 31 March 2021.

At 31 March 2020, Delphi owed the company £Nil including the above (2019: £50,000).