

Registered company number: 3360545
Registered charity number: 1063589

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

Report and Financial Statements

Year ended 31 March 2018

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

Report and financial statements for the year ended 31 March 2018

Contents

| | Page |
|--|---------|
| Director's Foreword | 1 |
| Legal and administrative information | 2 - 3 |
| Report of the Company Director | 4 - 9 |
| Independent Auditor's Report | 10 - 11 |
| Statement of Financial Activities | 12 |
| Statement of Financial Position | 13 |
| Notes forming part of the financial statements | 14 - 24 |

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2018

Director's Foreword

ACORN RECOVERY DIRECTORS FOREWORD

Addiction to drugs and alcohol takes a heavy toll on society. In the 3 years as a senior manager within Acorn Recovery Projects I have seen the impact, from crime, worklessness and strains on the NHS, to the price paid by individuals and their families. I have witnessed, however, people overcome their addiction and progress to lead full lives as contributing members of society. Provided with purposeful support to become drug and alcohol free, I have watched people transform their lives and become productive members of society.

Reflecting on the previous year, one can see the continuing challenging financial environment that charities such as Acorn are operating in. The last three years have seen reductions in Local Authority funding hit vital substance misuse services with budgets being cut by up to half in some areas. As a result, fewer people are able to access rehabilitation services, which form a key part of Acorn's service offer, and there is also added pressure on local community substance misuse services. This supposed saving is producing an enormous amount of pressure and added costs for the various local Health Services and Prisons as fewer people are receiving the level of support they need and successfully recovering from addiction.

Remaining strong in the current financial landscape is challenging, however in partnership with other Calico Group companies, Acorn is demonstrating resilience and flexibility whilst retaining an all-important focus on future growth and diversity of services. Acorn has responded to the challenges during 2017/18 by continuing to adapt and review its services, growing in different geographical areas such as Cheshire West/East and Warrington and focusing on establishing new partnerships and strategic alliances.

The programmes, that Acorn deliver, continue to achieve exceedingly positive results, remaining well above national averages, and continuing to help individuals and their families break free from addiction and achieve whole life recovery. 2017/18 has seen us introduce a new pre-rehab group to support motivation and aspirations to be substance free.

Working with and being part of the Calico Group has also enabled Acorn to provide much needed support to charities such as SafeNet Domestic Abuse Services in the delivery of 'Janes Place' a new complex needs refuge in Lancashire which supports clients with a range of complex needs including substance misuse and mental health. The partnership approach demonstrated in services such as Janes Place is key to the successful collaborative approach that will enable mutual growth.

Partnership working with other providers has been and will continue to be a strength for Acorn, where it has continued to develop strong relationships with a range of partners delivering excellent community services in Cheshire, Manchester and Blackpool. Working in collaboration has enabled a wider variety of services to be offered to individuals in the community, Acorn will continue to develop further relationships, widening the reach of its programmes across other local authorities.

Acorn's staff remain one of its most important assets and are a vital part of Acorn's future success. Approximately 85% of staff within Acorn have lived experience of addiction and are in recovery themselves, some having been previous clients. Acorn has always placed great emphasis on developing and supporting a wide network of volunteers who can develop their skills and hopefully with the support of the Calico Group and its partners, find training and employment opportunities which can only seek to aid their long term recovery.

Despite having a challenging and constantly changing few years, 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.

At Acorn Recovery Projects we recognise that people can recover from addiction. Our duty as an organisation is to ensure that everyone is given the chance to recover and, with early help and prevention, mitigate the risks of people falling into addiction in the first place.

Nicola Crompton-Hill
Director
17 September 2018

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

Report and financial statements for the year ended 31 March 2018
Legal and administrative information

Status The Charity was incorporated as a company limited by guarantee on 25 April 1997 and commenced activities on 1 October 1997. During the recent years the Charity has operated principally under the name of Acorn Treatment & Housing and to a lesser extent its incorporated name Alcohol & Drug Abstinence Services (ADAS). On 1 November 2013, the charity changed its name to Acorn Recovery Projects and adopted new governing documents.

These documents establish its objects and powers. Under those Articles, the members of the Association are determined and the Board may from time to time register an increase of members without any upper limit. On 1 November 2013, the charity became a subsidiary of The Calico Group Limited, a company registered in England and Wales.

Trustees Grahame N Elliott CBE FCA
Jonathan Foster (resigned 31 March 2018)
Dr Keith Hyde (resigned 31 March 2018)
Andrea Dixon (resigned 31 March 2018)
Stewart Higgins (resigned 31 March 2018)
Helen Robertshaw (resigned 31 March 2018)
Karen Ainsworth (appointed 1 April 2018)
Anne Coates (appointed 1 April 2018)
Andrew Henderson (appointed 1 April 2018)
Richard Jones (appointed 1 April 2018)
Mushtaq Khan (appointed 1 April 2018)
Sharon Livesey (appointed 1 April 2018)
Lynn McCracken (appointed 1 April 2018)
Georgina Nolan (appointed 1 April 2018)
Michelle Pilling (appointed 1 April 2018)
Kelly Shaw (appointed 1 April 2018)

Trustees are not remunerated but are able to claim reasonable expenses incurred in connection with their trustee responsibilities.

Company Secretary

Anthony Duerden (appointed 1 April 2017 and resigned 9 January 2018)
Stephen Aggett (appointed 9 January 2018)

Management Committee

The operational management of the Charity is delegated to the Management Committee which comprised during the period and to date of signing:

Sarah Hanson Executive Director Health, Support and Social Care (appointed 1 April 2017) (formerly the Managing Director)
Nicola Crompton-Hill Director - Acorn Recovery Projects (appointed 1 April 2017) (formerly the Head of Rehabilitation and Residential Services)

Registered office

Acorn Recovery Projects
Centenary Court
Croft Street
Burnley
BB11 2ED

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

Report and financial statements for the year ended 31 March 2018
Legal and administrative information (continued)

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 2018

Report of the Company Director

The company Director submits its report and the audited financial statements of the charity for the year ended 31 March 2018.

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.

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.

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2018

Report of the Company Director (continued)

Volunteering (continued)

Emma (DEAP Volunteer) says:

'I have been a volunteer for Acorn for about 20 months now. I started over in Cheshire East facilitating R.I.C.E groups. Then by chance the opportunity came up to take the positive and negative group at Fulstone House. A group I got a lot out of whilst in treatment. Every week I received 'controlling' as a negative, something I still use today in a positive and negative way!! I am fully aware that I need an element of this being a single mum to 3 amazing teenagers!

One of the most rewarding, amazing, inspiring opportunities I have experienced is working as part of the counselling team. I have felt supported and cared for along this journey of self-discovery and encouraged to go to college and do my level 3 counselling and in September go on and do my level 4'

The knowledge, experience, certified qualifications and support that volunteers receive is fundamental to volunteers obtaining employment; within the last twelve months 14 volunteers achieved employment as a result of their volunteering and achieving recovery.

Social Enterprise

Acorn has always supported social enterprises as a way of further extending volunteering and employment opportunities for the clients it works with. Acorn and the Calico Group have a range of social enterprises offering services from Coffee Shops to waste recycling and bulky waste collection.

Badkamra is a film and media production company and was set up by Acorn to promote recovery and to inspire others to achieve it. Badkamra 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 Badkamra can be seen by visiting: www.badkamra.co.uk

Acorn Academy

The Acorn Academy provides specialist 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. 17/18 has seen The Academy start to 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.
- 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.

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2018

Report of the Company Director (continued)

Supported Housing

During 2017/18, Acorn extended 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.

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

Acorn is experienced in delivering motivational group work within prison settings. We have delivered services in prisons including HMP Manchester, HMP Buckley Hall, HMP Styal, HMP Preston and Forest Bank Prison and continue to deliver services in some of them.

The contract with Delphi Medical at HMP Manchester and HMP Buckley Hall has demonstrated during 2017/18 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.

Structure, Governance and Management

Acorn Recovery Projects is a subsidiary of the Calico Group and is a registered charity (Charity No. 1063589), incorporated and limited by guarantee (Company No. 3360545). The organisation 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.

Group structure

A review of the Group's company and governance structures has taken place over the past year to ensure they can best support our purpose by ensuring there is adequate leadership capacity and that the Group continues to grow and develop.

A number of options relating to changes in structure of the Group to help with these objectives were considered by all Boards. It has been agreed to establish Syncora Limited (registered number 11171831) a holding company with a common board for each of its subsidiaries which are SafeNet, Acorn, Calico Enterprise and Delphi. This holding company will sit between the legal entities and the Calico Group Board. This new arrangement will enhance continued growth by integrating service and company offers and allowing competition with larger scale 'lead' providers.

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 3 and there is no maximum number.

Induction, training and development of Trustees

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.

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Report and financial statements for the year ended 31 March 2018

Report of the Company Director (continued)

Induction, training and development of Trustees (continued)

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.

Risk Management

The Trustees are committed to an on-going policy of identifying, monitoring and managing risks that might adversely affect the operation and reputation of the Charities, assessing the likelihood of occurrence and means of mitigating them.

The Trustees are satisfied that appropriate structures are in place to identify and manage the major risks facing the Charities.

Audit Committee

The Calico Group have a single Audit Committee to oversee the Group. The Audit Committee meets a minimum of three times a year. It considers the appointment of internal and external auditors, the scope of their work and their reports. It also reports to the Board on the effectiveness of the Group's internal financial control arrangements. The Committee is made up of Directors and Trustees from across the Group.

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.

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 review whether we fully comply with this Code - where we do 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 full compliance with this Code where relevant for the year ended 31 March 2018 following an annual review that took place in March 2018.

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 £2,786,539 (2017: £2,691,045). The total charitable support unrestricted expenditure was £2,806,430 (2017: £3,070,871) and this resulted in net incoming resources for unrestricted income of a deficit of £19,891 (2017: deficit of £379,826).

The unrestricted funds carried forward are £7,809 (2017: £8,553).

Restricted Funds

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

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

Report and financial statements for the year ended 31 March 2018
Report of the Trustees (continued)

Total Funds as at 31 March 2018

These amounted to £534,343 compared to £554,234 as at 31 March 2017.

Financial Management Policies

The free reserves, being Unrestricted Funds, amounted to the above mentioned £7,809 (2017: £8,553).

Budget for 2017/18

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.

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;
- 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 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 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.

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.

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

By order of the Board

Grahame N Elliott CBE FCA
Board Member
17 September 2018
For the year ended 31 March 2018

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 2018 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 2018 and of its profit 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.

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 Report of the Company Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Company Director report has been prepared in accordance with legal requirements.

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

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

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 the Report of the Trustees.

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 directors

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.

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.

Maria Hallows
(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: 17 September 2018

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

Statement of Financial Activities
for the year ended 31 March 2018

| | Note | Unrestricted funds £ | Restricted funds £ | 2018 Total £ | 2017 Total £ |
|--|---------|----------------------------|--------------------------|--------------------|--------------------|
| Income | | | | | |
| Donations and legacies | 2 | 83,014 | - | 83,014 | 80,383 |
| Rent receivable | | 923,419 | - | 923,419 | 969,659 |
| Income from charitable activities | 3 | 1,780,106 | 48,897 | 1,829,003 | 1,657,458 |
| Total income | | <u>2,786,539</u> | <u>48,897</u> | <u>2,835,436</u> | <u>2,707,500</u> |
| Expenditure | | | | | |
| Expenditure on charitable activities | 4 | 2,806,430 | 48,897 | 2,855,327 | 3,087,326 |
| Total expenditure | | <u>2,806,430</u> | <u>48,897</u> | <u>2,855,327</u> | <u>3,087,326</u> |
| Net (expenditure)/income for the year | | (19,891) | - | (19,891) | (379,826) |
| Transfers between funds | | 19,147 | (19,147) | - | - |
| Net movement in funds | | (744) | (19,147) | (19,891) | (379,826) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 8,553 | 545,681 | 554,234 | 934,060 |
| Total funds carried forward | 16 & 18 | <u>7,809</u> | <u>526,534</u> | <u>534,343</u> | <u>554,234</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 14 to 24 form part of these financial statements

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

Statement of Financial Position
at 31 March 2018

| | Note | 31 March 2018 £ | 31 March 2017 £ |
|--|---------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 999,850 | 1,229,102 |
| Intangible assets | 10 | 175,891 | 226,045 |
| Investments in subsidiaries | 11 & 12 | 37,598 | 37,599 |
| | | <hr/> | <hr/> |
| Total fixed assets | | 1,213,339 | 1,492,746 |
| Current assets | | | |
| Debtors | 13 | 579,803 | 434,347 |
| Cash and bank balances | | 165,829 | 53,156 |
| | | <hr/> | <hr/> |
| | | 745,632 | 487,503 |
| Creditors: amounts falling due within one year | 14 | 1,142,685 | 1,077,354 |
| | | <hr/> | <hr/> |
| Net current (liabilities)/assets | | (397,053) | (589,851) |
| Total assets less current liabilities | | <hr/> | <hr/> |
| | | 816,286 | 902,895 |
| Creditors: amounts falling due after more than one year | 15 | 281,943 | 348,661 |
| | | <hr/> | <hr/> |
| Net assets | | 534,343 | 554,234 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Funds | | | |
| Unrestricted funds | | | |
| General fund | 16 & 18 | 7,809 | 8,553 |
| Restricted fund | | | |
| Restricted | 16 & 18 | 526,534 | 545,681 |
| | | <hr/> | <hr/> |
| Total charity funds | | 534,343 | 554,234 |
| | | <hr/> <hr/> | <hr/> <hr/> |

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 14 to 24 form part of these financial statements.

The financial statements were approved by the trustees and authorised for issue on 17 September 2018 and signed on their behalf by:

Grahame N Elliott CBE FCA
Board Member
17 September 2018

ACORN RECOVERY PROJECTS

(a company limited by guarantee number 3360545)

Notes forming part of the financial statements for the year ended 31 March 2018

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 2018.

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 2018 (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 2018 (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 | 2018 Total | 2017 Total |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Donations and similar incoming resources | 83,014 | - | 83,014 | 80,383 |
| | <u>83,014</u> | <u>-</u> | <u>83,014</u> | <u>80,383</u> |

A donation totalling £50,000 (2017: £50,000) was received from the Michael Bishop Foundation during the period.

3 Income from charitable activities

| | Unrestricted funds | Restricted funds | 2018 Total | 2017 Total |
|---|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Reduction & motivational programmes | 966,337 | 32,100 | 998,437 | 681,689 |
| Tier 4 treatment SPOT | 531,725 | - | 531,725 | 695,673 |
| Supporting people services | 173,225 | - | 173,225 | 182,328 |
| <u>Social Enterprises</u> | | | | |
| Education/training & employment | 107,339 | 16,797 | 124,136 | 97,169 |
| VAT partial exemption | 1,480 | - | 1,480 | 599 |
| Total income from charitable activities | <u>1,780,106</u> | <u>48,897</u> | <u>1,829,003</u> | <u>1,657,458</u> |
| Contract income | 1,122,046 | 32,100 | 1,154,146 | 864,017 |
| Activities from generating funds | 656,580 | 16,797 | 673,377 | 792,842 |
| VAT partial exemption | 1,480 | - | 1,480 | 599 |
| | <u>1,780,106</u> | <u>48,897</u> | <u>1,829,003</u> | <u>1,657,458</u> |

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

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

4 Expenditure on charitable activities

| | Therapy | Housing | Admin | 2018 Total | 2017 Total |
|--------------------------------------|------------------|----------------|----------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Employee costs | 1,168,130 | 593,685 | 119,336 | 1,881,151 | 1,864,457 |
| Client and volunteer expenses | 52,440 | 21,217 | 330 | 73,987 | 75,310 |
| Rent, rates, insurance and utilities | 105,397 | 291,616 | 5,879 | 402,892 | 479,063 |
| Property Costs | 24,013 | 26,314 | 12,941 | 63,268 | 119,164 |
| Other staff costs | 71,199 | 24,030 | 37,425 | 132,654 | 136,536 |
| Printing, stationery and postage | 19,106 | 3,927 | - | 23,033 | 35,574 |
| Finance Costs | - | 11,345 | 4,701 | 16,046 | 21,305 |
| Legal and professional fees | - | - | 36,241 | 36,241 | 49,729 |
| Depreciation & Goodwill | 14,935 | (87,048) | 50,154 | (21,959) | 64,182 |
| Transport Costs | 15,848 | 3,801 | 2,128 | 21,777 | 25,527 |
| H&S, fire & security | 7,282 | 21,257 | 739 | 29,278 | 47,054 |
| Recharges and write offs | - | - | 136,064 | 136,064 | 112,272 |
| Housing Maintenance | 33,400 | 21,519 | - | 54,919 | 50,969 |
| <u>Governance costs</u> | | | | | |
| Audit fees | - | - | 5,976 | 5,976 | 6,184 |
| | <u>1,511,750</u> | <u>931,663</u> | <u>411,914</u> | <u>2,855,327</u> | <u>3,087,326</u> |

5 Net (income)/expenditure

| | Note | 2018 £ | 2017 £ |
|---|------|-------------------|-------------------|
| This is after charging:- | | | |
| Auditor's remuneration | | 5,976 | 6,184 |
| Depreciation of tangible fixed assets | | 30,847 | 38,954 |
| Amortisation of intangible fixed assets | 10 | 50,154 | 25,228 |
| 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 2018 (continued)

6 Employees

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

| | 2018 | 2017 |
|----------------------------|---------------|---------------|
| | Number | Number |
| Counselling and therapy | 43 | 39 |
| Finance and administration | 7 | 12 |
| Business Development | 2 | 4 |
| Housing Support Staff | 26 | 24 |
| | <u>78</u> | <u>79</u> |

| Staff costs consist of: | £ | £ |
|-------------------------|------------------|------------------|
| Salaries | 1,708,566 | 1,661,928 |
| Social security costs | 158,979 | 146,536 |
| Termination payments | 2,126 | 37,522 |
| Pension contributions | 18,125 | 18,471 |
| | <u>1,887,796</u> | <u>1,864,457</u> |

| Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period: | 2018 | 2017 |
|---|---------------|---------------|
| | Number | Number |
| Between £70,000 - £80,000 | 1 | - |
| Between £90,000 - £100,000 | - | 1 |
| Between £120,000 - £130,000 | 1 | - |
| | <u>2</u> | <u>1</u> |

7 Board members and executive officers

| | 2018 | 2017 |
|--|----------------|----------------|
| | £ | £ |
| The aggregate emoluments paid to or receivable by trustees | - | - |
| The aggregate emoluments paid to or receivable by executive officers | 196,857 | 227,690 |
| The emoluments paid to the highest paid officer excluding pension contributions | 122,790 | 88,748 |
| Pension cost for executive officers | 654 | 1,376 |
| The aggregate amount of any consideration payable to / (receivable from) third parties for making available the services of executive officers | (84,981) | (46,002) |
| Total key management personnel remuneration | <u>196,857</u> | <u>227,690</u> |

Trustees' emoluments

The members of the board of trustees do not receive any remuneration. There was a small reimbursement to one of the trustees for mileage and parking at £371 (2017: £122).

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

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

8 Interest payable

| | 2018 £ | 2017 £ |
|----------------|-----------|-----------|
| Bank mortgages | 1,582 | 16,885 |
| Other bank | 1,999 | - |
| | 3,581 | 16,885 |

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 2017 | 485,000 | 762,962 | 14,274 | 95,310 | 127,512 | 1,485,058 |
| Additions | 2 | - | 5,100 | 21,547 | - | 26,649 |
| Disposals | - | (229,972) | (14,274) | - | (18,993) | (263,239) |
| At 31 March 2018 | 485,002 | 532,990 | 5,100 | 116,857 | 108,519 | 1,248,468 |
| <i>Depreciation</i> | | | | | | |
| At 31 March 2017 | 14,550 | 50,201 | 14,274 | 57,649 | 119,282 | 255,956 |
| Charge for period | 4,850 | 6,096 | 638 | 17,997 | 1,266 | 30,847 |
| Disposals | - | (11,882) | (14,274) | - | (12,029) | (38,185) |
| At 31 March 2018 | 19,400 | 44,415 | 638 | 75,646 | 108,519 | 248,618 |
| Net Book Value | | | | | | |
| 31 March 2018 | 465,602 | 488,575 | 4,462 | 41,211 | - | 999,850 |
| 31 March 2017 | 470,450 | 712,761 | - | 37,661 | 8,230 | 1,229,102 |

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).

Elliott House was sold during the year to Calico Homes (see note 22).

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 2018 (*continued*)

10 Intangible Fixed assets

| | Goodwill £ | Total £ |
|--------------------------|----------------|----------------|
| <i>Cost or Valuation</i> | | |
| At 31 March 2017 | 251,273 | 251,273 |
| | ----- | ----- |
| At 31 March 2018 | 251,273 | 251,273 |
| <i>Amortisation</i> | | |
| At 31 March 2017 | 25,228 | 25,228 |
| Charge for period | 50,154 | 50,154 |
| | ----- | ----- |
| At 31 March 2018 | 75,382 | 75,382 |
| <i>Net Book Value</i> | | |
| 31 March 2018 | <u>175,891</u> | <u>175,891</u> |
| 31 March 2017 | <u>226,045</u> | <u>226,045</u> |

The goodwill relates to Delphi acquisition (Note 12) and is being amortised over 5 years.

11 Investments in subsidiaries

| | 2018 £ | 2017 £ |
|--------|---------------|---------------|
| ADAS | 1 | 1 |
| Delphi | <u>37,597</u> | <u>37,598</u> |
| | <u>37,598</u> | <u>37,599</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 2018, the non-trading company had net assets of £1 (2017: £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

During the prior year, Acorn acquired 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. The fair value on acquisition was £37,598 as shown in note 12.

At 31 March 2018, Delphi had net liabilities £705k (2017: £229k) following a loss for the year £475,280 (2017: £420,871) and allotted share capital of £1,004 (1,004 £1 ordinary shares).

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

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

12 Acquisition of subsidiary undertakings

On 15 October 2016, the charity acquired 100% of the issued share capital of Delphi Medical Limited and Delphi Medical Consultants Limited for cash consideration.

| | Total £ |
|-----------------------|-----------------------|
| Tangible fixed assets | 25,044 |
| Debtors | 398,680 |
| Cash | 83,332 |
| Creditors | (463,964) |
| Provisions | (5,494) |
| Net assets | 37,598 |
| Goodwill | <u>251,273</u> |
| | 288,871 |
| | <u><u>288,871</u></u> |
| Satisfied by cash | <u>288,871</u> |

13 Debtors

| | 2018 £ | 2017 £ |
|------------------------|-----------------------|-----------------------|
| Trade debtors | 253,869 | 226,546 |
| VAT | 3 | - |
| Intercompany balance | 294,100 | 183,067 |
| Prepayments | 19,592 | 21,559 |
| Staff loans & deposits | <u>12,239</u> | <u>3,175</u> |
| | <u>579,803</u> | <u>434,347</u> |
| | <u><u>579,803</u></u> | <u><u>434,347</u></u> |

All amounts shown under debtors fall due for payment within one year.

14 Creditors: amounts due within one year

| | 2018 £ | 2017 £ |
|-----------------------|-------------------------|-------------------------|
| Bank loans (secured) | 35,207 | 75,296 |
| Trade creditors | 51,689 | 9,101 |
| Salary control | 43,636 | - |
| Other creditors | 3,054 | 10,882 |
| Accruals | 43,906 | 154,884 |
| Intercompany balances | 965,193 | 827,191 |
| | <u>1,142,685</u> | <u>1,077,354</u> |
| | <u><u>1,142,685</u></u> | <u><u>1,077,354</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 2018 (*continued*)

15 Creditors: amounts falling due after more than one year

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Bank loans (secured) | 281,943 | 348,661 |
| | 281,943 | 348,661 |
| Bank loans payable by instalments as follows:- | | |
| Between two and five years | 140,286 | 194,238 |
| After five years | 141,657 | 154,423 |
| | 281,943 | 348,661 |
| | 281,943 | 348,661 |

| Loan account no. | Expiry | Interest Rate % | Legal charge | Balance £ |
|------------------|------------|-----------------|----------------|-----------|
| 44461770 | April 2028 | 2.56% | Rosemary Court | 317,150 |

The total bank loans of £317,150 (2017: £423,957) are secured by legal charges on Rosemary Court leasehold property. At 31 March 2018, this property has a net book value of £465,600 (2017: £470,450).

16 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|-----------------------------|-------------------------|-----------------------|------------------|
| Fixed assets | 686,805 | 526,534 | 1,213,339 |
| Current assets | 745,632 | - | 745,632 |
| Current liabilities | (1,142,685) | - | (1,142,685) |
| Long term liabilities | (281,943) | - | (281,943) |
| Net assets at 31 March 2018 | 7,809 | 526,534 | 534,343 |
| | 7,809 | 526,534 | 534,343 |

17 Financial commitments

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

| | 2018 Land and buildings £ | 2017 Land and buildings £ |
|-----------------------|---------------------------------|---------------------------------|
| Expiry date: | | |
| In less than one year | 276 | 27,800 |
| In two to five years | - | - |
| | 276 | 27,800 |
| | 276 | 27,800 |
| | Equipment £ | Equipment £ |
| Expiry date: | | |
| In less than one year | 19,521 | 14,248 |
| In two to five years | 24,378 | 6,547 |
| | 43,899 | 20,795 |
| | 43,899 | 20,795 |

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

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

18 Movement in funds

| | At 31 March 2017 £ | Incoming resources £ | Outgoing resources £ | Transfers £ | At 31 March 2018 £ |
|-------------------------------|-----------------------------|----------------------------|----------------------------|-----------------|-----------------------------|
| Restricted funds | | | | | |
| NHS National | 545,681 | - | - | (19,147) | 526,534 |
| NHS Psychologist | - | 16,797 | (16,797) | - | - |
| National Lottery & EU | - | 32,100 | (32,100) | - | - |
| | <u>545,681</u> | <u>48,897</u> | <u>(48,897)</u> | <u>(19,147)</u> | <u>526,534</u> |
| Total restricted funds | 545,681 | 48,897 | (48,897) | (19,147) | 526,534 |
| Unrestricted funds | 8,553 | 2,786,539 | (2,806,430) | 19,147 | 7,809 |
| Total funds | <u>554,234</u> | <u>2,835,436</u> | <u>(2,855,327)</u> | <u>-</u> | <u>534,343</u> |

Purposes of restricted funds

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.

The grant is being transferred to unrestricted funds over the 35 year period on a pro-rata basis.

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.

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 (2017: 1).

21 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.

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

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

22 Related party transactions

GN Elliott, a Trustee, is also Trustee of the Michael Bishop Foundation which donated £50,000 to the Charity during the year ended 31 March 2018 (2017: £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.

The Calico Group Limited ("Group"), the parent company
There were no transactions during the year (2017: £Nil).

At 31 March 2018, the company owed to Group £2,000 (2017: £Nil).

Calico Homes Limited ("Homes"), a fellow subsidiary of Group
During the year, Homes recharged office costs and rents amounting to £211,000 (2017: £128,000) and Acorn recharged professional fees amounting to £Nil (2017: £54,000).

During the year Homes purchased a property (Elliot House) from the company for £325,000 using a third party valuation.

At 31 March 2018, the company owed Homes £839,000 (2017: £625,000).

Calico Enterprise Limited ("Enterprise"), a fellow subsidiary of Group
During the year, Enterprise had transactions of £1,000 (2017: £52,000).

At 31 March 2018, the company owed Enterprise £17,000 (2017: £1,000).

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 £200,000 at an interest rate of base rate plus 1% and repayable by 31 March 2019.

At 31 March 2018, the company owed Safenet net including the above £92,000 (2017: £200,000).

Delphi Medical Consultants Limited ("DMC"), a subsidiary of Acorn
During the year, Acorn supplied no services £Nil (2017: £60,000).

At 31 March 2018, DMC owed the company £107,000 (2017: £13,000).

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

During the prior year, Acorn lent Delphi £170,000 at an interest rate of base rate plus 1% and repayable by 31 March 2019.

At 31 March 2018, Delphi owed the company £172,000 including the above (2017: £170,000).