

LIVERPOOL ROOTS TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS

Year ended 5th April 2017

COMPANY NUMBER: 1461799 (ENGLAND & WALES)
CHARITY NUMBER: 509514

LIVERPOOL ROOTS TRUST LIMITED

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Year ended 5th April 2017

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LIVERPOOL ROOTS TRUST LIMITED

Charity reference and administrative details Year ended 5th April 2017

Company number	1461799 (England & Wales)
Charity number	509514
Trustees	T Gillson P Morgan B R Robinson
Secretary	A F Cunliffe
Registered Office	36/42 Soho Street Liverpool Merseyside L3 8AE
Independent Examiner	Philip Griffiths FCA DChA Mitchell Charlesworth LLP Chartered Accountants 5 Temple Square Temple Street Liverpool L2 5RH
Bankers	HSBC Bank plc 99-101 Lord Street Liverpool L2 6PG Santander UK plc Customer Service Centre Bootle Merseyside L30 4GB

LIVERPOOL ROOTS TRUST LIMITED

Report of the Trustees Year ended 5th April 2017

The trustees (who are also the directors of the company for the purposes of company law) present their annual report together with the accounts of the charity for the year ended 5th April 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and accounts of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 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 United Kingdom and Republic of Ireland published on 16th July 2014.

Trustees

The following have served as trustees of the charity during the year:

T Gillson
P Morgan
B R Robinson

Objectives and activities

The principal activity of the company is that of a Day Resource Centre for persons who have social and mental health problems.

The charity is organised so that the trustees meet regularly to manage its affairs. There is a full time manager, one part time assistant plus a number of volunteers who run and administer the day centre.

Public benefit

The trustees have had due regard to the guidance published by the Charity Commission on public benefit.

Strategic Report

Achievements and performance

With our funding from Liverpool City Council remaining static for the past 11 years, and referrals remaining alarmingly low, our service has had little opportunity for real advancement in recent years. Government policy in reducing local council grants has impacted greatly in Liverpool, engendering the need for massive cuts in social care funding. Thus, in common with all other voluntary sector organisations in the city, we have found it increasingly difficult to plan for the future with any real confidence. However, despite this restriction, we continue in the hope that our service users' aspirations can still be achieved through the continued hard work and dedication of our staff team.

The reduction in referral numbers is a direct consequence of new cost-saving hub-style strategies supposedly aimed at reducing dependence on day care services. But they do not address the associated stabilising benefits accomplished through quality day care, such as confidence building, companionship, the feeling of belonging and a safety-zone for anxious and vulnerable adults.

But despite our on-going financial concerns we are aware that we must remain positive and our aim as ever is to be strongly committed to promoting personal independence for our clients, through the robust support, encouragement and guidance of our staff team.

LIVERPOOL ROOTS TRUST LIMITED

Report of the Trustees Year ended 5th April 2017

Achievements and performance (continued)

Roots ethos demands and ensures a long-term commitment to our service users and carers whilst enabling us to be in a good position to build and expand our services whenever possible. In addition to our commitment, the hard work of the Centre Manager and her staff should not be underestimated, as this is vital component in our survival in a very difficult and demanding field.

Our emphasis is always on recovery and creating an enabling and independent environment. We continue to steer our service users towards progression through access to a range of courses implemented by Liverpool Adult Learning Services. Our service user group is still actively engaged with the local community garden scheme based in the Everton Park Nature Garden. This popular activity encourages participation and promotes a sense of achievement and well-being.

As ever we remain positive as we are sure that we can continue to support our service users and carers in confronting social exclusion. The Trust is aware that it must be steadfast in its resolve to make a telling difference to the lives of people in our care.

Financial review

The accounts show total income for the year amounting to £82,361 (2016 £111,398).

Last year we were fortunate to receive a donation of £25,000 from the Liverpool Schizophrenia Association.

Total expenditure for the year was £81,167 (2016 £80,278) broadly similar to last year.

As a result the accounts show a surplus of £1,194 (2016 £31,120) increasing unrestricted funds at 5th April 2017 to £90,613 (2016 £89,419).

Reserves policy

The present level of reserves is adequate to support the continuation of the day centre for the medium term, and the trustees consider the financial position of the charity to be satisfactory.

Governing document

The charity is a company limited by guarantee, incorporated on 19th November 1979 and registered as a charity on 14th February 1980, and is governed by a Memorandum and Articles of Association.

Risk management

The trustees have assessed the major risks to which the charity is exposed and have taken steps to mitigate those risks to an acceptable level.

LIVERPOOL ROOTS TRUST LIMITED

Report of the Trustees Year ended 5th April 2017

Trustees responsibilities in relation to the financial statements

The trustees are required by company law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the trustees are required to:-

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departure and explained in the financial statements;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue to operate.

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

Approval

This report was approved by the Board of Trustees on 18 December 2017 and signed on its behalf



B R Robinson
Chairman

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square · Temple Street · Liverpool · L2 5RH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LIVERPOOL ROOTS TRUST LIMITED

I report on the accounts of the company for the year ended 5th April 2017 which are set out on pages 6 to 14.

Respective responsibilities of trustees and examiner

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

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

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

Basis of independent examiner's statement

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

Independent examiner's statement

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

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



P L Griffiths FCA DChA
MITCHELL CHARLESWORTH LLP
Liverpool

18 December 2017

LIVERPOOL ROOTS TRUST LIMITED

Statement of Financial Activities Year ended 5th April 2017

Summary Income and Expenditure Account

Income from:	Notes	Unrestricted funds	
		Total 2017 £	Total 2016 £
Donations and legacies	2	-	25,000
Charitable activities	3	81,407	82,579
Investments	4	143	38
Other		811	3,781
Total income		82,361	111,398
Expenditure on:			
Charitable activities	5	81,167	80,278
Total expenditure		81,167	80,278
Net income for the year	7	1,194	31,120
Total funds brought forward		89,419	58,299
Total funds carried forward		90,613	89,419

All income and expenditure relates to continuing operations.

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

The notes on pages 9 to 14 form part of these accounts.

LIVERPOOL ROOTS TRUST LIMITED

Balance Sheet As at 5th April 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	10		18,193		22,199
Current assets					
Debtors	11	14,499		8,868	
Cash at bank and in hand		63,275		63,584	
		77,774		72,452	
Creditors					
Amounts falling due within one year	12	5,354		5,232	
Net current assets			72,420		67,220
Net assets			90,613		89,419
Funds					
Unrestricted funds			90,613		89,419

For the year ended 5th April 2017 the company was entitled to exemption under section 477 of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 386; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far applicable to the company.

Approved by the trustees on 18 December 2017 and authorised for issue and signed on their behalf by:



B R Robinson
Trustee

Registration number 1461799 (England & Wales)

The notes on pages 9 to 14 form part of these accounts.

LIVERPOOL ROOTS TRUST LIMITED

Statement of Cash Flows Year ended 5th April 2017

	Notes	2017	2016
		£	£
Cash flows from operating activities	16	(452)	43,377
Cash flow from investing activities			
Interest received		143	38
Net cash flow from investing activities		143	38
Net increase in cash and cash equivalents		(309)	43,415
Cash and cash equivalents at 6th April 2016		63,584	20,169
Cash and cash equivalents at 5th April 2017		63,275	63,584
Cash and cash equivalents comprise:			
Cash at bank		63,102	63,464
Cash in hand		173	120
		63,275	63,584

LIVERPOOL ROOTS TRUST LIMITED

Notes to the Accounts Year ended 5th April 2017

1. Summary of accounting policies

(a) General information and basis of preparation

Liverpool Roots Trust Limited is a company limited by guarantee and a registered charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees' Report on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to special performance conditions and is recognised as earned as the related services are provided. Grant income included in this category provides funding to support performance activities and is recognised when there is entitlement, certainty of receipt and the amounts can be measured with sufficient reliability.

Investment income is earned through holding assets for investment purposes such as bank deposits. It essentially includes interest which is recognised using the effective interest method.

LIVERPOOL ROOTS TRUST LIMITED

Notes to the Accounts Year ended 5th April 2017

1. Summary of accounting policies (continued)

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes costs associated with provision of a day resource centre for persons who have social and mental health problems.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the charity's registered office.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Individual assets are capitalised on the balance sheet where their cost exceeds £500.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Building	- 5% straight line
Motor vehicle	- 25% reducing balance

The building has been written down to its estimated land value of £10,000. No further depreciation will be provided on this asset

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short term liquid investments.

(j) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

LIVERPOOL ROOTS TRUST LIMITED

Notes to the Accounts Year ended 5th April 2017

1. Summary of accounting policies (continued)

(k) VAT

The company is fully exempt for VAT purposes, therefore figures shown in the accounts are included as gross.

2. Income from donations and legacies	Unrestricted funds	
	2017 £	2016 £
Gifts	-	25,000
	<u> </u>	<u> </u>
3. Income from charitable activities	Unrestricted funds	
	2017 £	2016 £
Grants receivable	68,935	68,935
Day care receipts	12,472	13,644
	<u> </u>	<u> </u>
	81,407	82,579
	<u> </u>	<u> </u>
4. Income from investments	Unrestricted funds	
	2017 £	2016 £
Interest received on cash deposits	143	38
	<u> </u>	<u> </u>
5. Analysis of expenditure on charitable activities	Unrestricted funds	
	2017 £	2016 £
Activities undertaken directly		
Food and outings	402	290
Heat and light	1,895	2,143
Repairs, equipment and cleaning	1,904	1,546
Staff costs	58,690	59,445
Motor expenses	3,127	2,630
Insurance, security and water rates	4,956	6,007
Other centre running expenses	3,939	2,231
	<u> </u>	<u> </u>
	74,913	74,292
Support costs		
Depreciation	4,006	4,006
Governance costs (see note 6)	2,248	1,980
	<u> </u>	<u> </u>
	81,167	80,278
	<u> </u>	<u> </u>

LIVERPOOL ROOTS TRUST LIMITED

Notes to the Accounts Year ended 5th April 2017

6. Governance costs	2017	2016
	£	£
Independent examination	2,248	1,980
7. Net income for the year	2017	2016
	£	£
This is stated after charging:-		
Depreciation on tangible fixed assets	4,006	4,006
Independent Examiners fees	2,248	1,980
8. Staff costs and employee benefits	2017	2016
	£	£
Wages and salaries	53,369	55,761
Social security costs	2,415	3,684
Other pension costs	210	-
Redundancy	2,696	-
	58,690	59,445

No employee received total benefits at the rate of £60,000 (2016:£60,000), or more per annum.

The average number of employees during the year was 3 (2016 3).

9. Trustees' and key management personnel remuneration and expenses

Under a provision in the company's Memorandum of Association, Mr B R Robinson, a trustee of the charity, was paid £13,810 (2016 £14,057) during the year for services rendered to the charity.

The trustees did not have any expenses reimbursed during the year (2016 £Nil).

The total amount of employee benefits received by key management personnel is £33,758. (2016 £34,674). The trust considers its key management personnel to comprise the Centre Manager.

LIVERPOOL ROOTS TRUST LIMITED

Notes to the Accounts Year ended 5th April 2017

10. Tangible fixed assets	Land and Building £	Motor Vehicle £	Total £
Cost			
At 6th April 2016 and 5th April 2017	27,997	18,019	46,016
Depreciation			
At 6th April 2016	17,997	5,820	23,817
Charge for the year	-	4,006	4,006
At 5th April 2017	17,997	9,826	27,823
Net book values			
At 5th April 2017	10,000	8,193	18,193
At 5th April 2016	10,000	12,199	22,199
11. Debtors		2017 £	2016 £
Prepayments		967	924
Accrued income		13,532	7,944
		14,499	8,868
12. Creditors: Amounts falling due within one year		2017 £	2016 £
Other taxes and social security		1,312	1,290
Accruals and deferred income		4,042	3,887
Other creditors		-	55
		5,354	5,232
13. Financial instruments		2017 £	2016 £
Financial assets			
Debt instruments measured at amortised cost		76,634	71,408
Financial liabilities			
Measured at amortised cost		4,042	3,942

LIVERPOOL ROOTS TRUST LIMITED

Notes to the Accounts Year ended 5th April 2017

14. Related party transactions

There were no related party transactions during the year (2016 £Nil).

15. Pension scheme contributions

The charity operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions paid by the charity to the defined contribution scheme which amounted to £210 (2016 £Nil).

16. Reconciliation of net income to net cash flow from operating activities

	2017 £	2016 £
Net income for the year	1,194	31,120
Interest receivable	(143)	(38)
Depreciation of tangible fixed assets	4,006	4,006
Decrease/(increase) in debtors	(5,631)	10,679
(Decrease)/increase in creditors	122	(2,390)
Net cash flow from operating activities	(452)	43,377

LIVERPOOL ROOTS TRUST LIMITED

Income and Expenditure Account Year ended 5th April 2017

	2017		2016	
	£	£	£	£
Unrestricted income				
L C C Urban aid revenue grant		68,935		68,935
Donations		-		25,000
Interest received		143		38
Day-care receipts		12,472		13,644
Other miscellaneous income		811		3,781
		<u>82,361</u>		<u>111,398</u>
Total income for the year				
		<u>82,361</u>		<u>111,398</u>
Expenditure				
Food	262		187	
Motor expenses and travel	3,127		2,630	
Water rates	43		1,288	
Rates	342		340	
Heat and light	1,895		2,143	
Insurance	3,398		3,254	
Cleaning, repairs & maintenance	1,890		1,413	
Garden expenses	14		133	
Telephone	748		653	
Burglar alarm & security	1,173		1,125	
Stationery, post & advertising	231		93	
Session workers/tuition	1,388		245	
Office sundries	183		294	
Outings	140		103	
Accountancy	2,248		1,980	
Payroll bureau fees	1,374		768	
Bank charges	-		15	
Interest paid	2		-	
Removals	-		150	
Depreciation of motor car	4,006		4,006	
Directors remuneration	13,810		14,057	
Wages & salaries	39,559		41,704	
Redundancy	2,696		-	
Staff defined contribution pension costs	210		-	
Employers' national insurance	2,415		3,684	
Annual return	13		13	
		<u>81,167</u>		<u>80,278</u>
Surplus for the year		<u>1,194</u>		<u>31,120</u>