

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

**Year ended 5th April 2018**

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

# LIVERPOOL ROOTS TRUST LIMITED

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Year ended 5th April 2018

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# LIVERPOOL ROOTS TRUST LIMITED

## Charity reference and administrative details Year ended 5th April 2018

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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 2018**

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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 2018. 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 (as amended by Update Bulletin 1 published on 2nd February 2016).

### **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**

Continuing speculation regarding the protracted and long, drawn-out restructuring of Liverpool City Council's proposed new audit services initiative has done little to arrest the uncertainty and relative uneasiness surrounding the future of small voluntary sector organisations. Admittedly the lack of sufficient government funding is still a major stumbling block, severely limiting the City Council's scope in its formulation of provision for essential services throughout the city and working against the back-drop of diminishing social care budgets is becoming an increasingly difficult balancing act.

However, there clearly is still a need for the type of service offered by voluntary sector mental health day centres, obviated by the number of service users constantly seeking placements, where they can obtain the specialist advice and guidance they require. They also benefit from knowing that they are in a safe and understanding environment within which they can ease their way back into society, at their own pace. An aim which is not achievable through remote but-based services.

Our expectations, however, still remain positive, and we will continue to offer our services for as long as our finances permit. We realise that there is likely to be a move away from centre based activities in future - based purely on financial considerations rather than practicalities - with community-accented access becoming more of a focus. But, considering increased local media reports of mental health related issues on the city's streets, new referrals still remain perplexingly low.

# **LIVERPOOL ROOTS TRUST LIMITED**

## **Report of the Trustees Year ended 5th April 2018**

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### **Achievements and performance (continued)**

Despite all the difficulties we remain up-beat and have confidence and pride in our working model. Our aim as ever is to continue to be strongly committed to promoting personal independence for our clients, through the professional support, encouragement and guidance of our staff team. Our emphasis is on recovery and creating an enabling and independent environment. We will continue to steer our service users towards progression through access to whatever courses are currently available, mainly financed by the Trust, but also implemented by Liverpool Adult Learning Services.

I would like to register my thanks to our centre manager, Ann Cunliffe and her staff, who continually rise to the challenges set before them, and their extremely proficient approach, hard work and dedication during what has been another very challenging 12 months.

We will continue to support our service users and carers in confronting the ongoing problems associated with social exclusion and will persevere in our attempts to hopefully make a telling difference to the lives of the people in our care.

### **Financial review**

The accounts show total income for the year amounting to £77,619 (2017 £82,361).

Total expenditure for the year was £76,320 (2017 £81,167) broadly similar to last year.

As a result, the accounts show a surplus of £1,299 (2017 surplus £1,194) decreasing unrestricted funds at 5th April 2018 to £91,912 (2017 £90,613).

### **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 2018

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### Trustees responsibilities in relation to the financial statements

The trustees (who are also the directors of Liverpool Roots Trust Limited for the purpose of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing those financial statements the trustees are required to:-

- (a) select suitable accounting policies and then apply them consistently;
- (b) observe the methods and principles in the Charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (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 adequate 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 20 December 2018 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 to the charity trustees on my examination of the accounts of the company for the year ended 5th April 2018 which are set out on pages 6 to 14.

#### Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



P L Griffiths FCA DChA  
MITCHELL CHARLESWORTH LLP  
Liverpool

20 December 2018

# LIVERPOOL ROOTS TRUST LIMITED

## Statement of Financial Activities Year ended 5th April 2018

### Summary Income and Expenditure Account

Income from:	Notes	Unrestricted funds	
		Total 2018 £	Total 2017 £
Charitable activities	2	76,808	81,407
Investments	3	115	143
Other		696	811
<b>Total income</b>		<b>77,619</b>	<b>82,361</b>
<b>Expenditure on:</b>			
Charitable activities	4	76,320	81,167
<b>Total expenditure</b>		<b>76,320</b>	<b>81,167</b>
<b>Net income for the year</b>	6	<b>1,299</b>	<b>1,194</b>
<b>Total funds brought forward</b>		<b>90,613</b>	<b>89,419</b>
<b>Total funds carried forward</b>		<b>91,912</b>	<b>90,613</b>

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 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		16,837		18,193
<b>Current assets</b>					
Debtors	10	8,796		14,499	
Cash at bank and in hand		<u>69,488</u>		<u>63,275</u>	
		78,284		77,774	
<b>Creditors</b>					
Amounts falling due within one year	11	<u>3,209</u>		<u>5,354</u>	
<b>Net current assets</b>			<u>75,075</u>		<u>72,420</u>
<b>Net assets</b>			<u>91,912</u>		<u>90,613</u>
<b>Funds</b>					
Unrestricted funds			<u>91,912</u>		<u>90,613</u>

For the year ended 5th April 2018 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 20 December 2018 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 2018

	Notes	2018		2017	
		£	£	£	£
<b>Cash flows from operating activities</b>	16		6,098		(452)
<b>Cash flow from investing activities</b>					
Interest received		<u>115</u>		<u>143</u>	
Net cash flow from investing activities			<u>115</u>		<u>143</u>
Net increase in cash and cash equivalents			6,213		(309)
<b>Cash and cash equivalents at 6th April 2017</b>			<u>63,275</u>		<u>63,584</u>
<b>Cash and cash equivalents at 5th April 2018</b>			<u>69,488</u>		<u>63,275</u>
<b>Cash and cash equivalents comprise:</b>					
Cash at bank			69,471		63,102
Cash in hand			<u>17</u>		<u>173</u>
			<u>69,488</u>		<u>63,275</u>

# LIVERPOOL ROOTS TRUST LIMITED

## Notes to the Accounts Year ended 5th April 2018

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### 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 16th July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016), 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 Accounting Practice.

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.

**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 2018

### 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 charitable activities	Unrestricted funds	
	2018	2017
	£	£
Grants receivable	68,935	68,935
Day care receipts	7,873	12,472
	<u>76,808</u>	<u>81,407</u>
3. Income from investments	Unrestricted funds	
	2018	2017
	£	£
Interest received on cash deposits	115	143
4. Analysis of expenditure on charitable activities	Unrestricted funds	
	2018	2017
	£	£
<b>Activities undertaken directly</b>		
Food and outings	181	402
Heat and light	1,884	1,895
Repairs, equipment and cleaning	611	1,904
Staff costs	52,318	58,690
Motor expenses	2,561	3,127
Insurance, security and water rates	5,255	4,956
Other centre running expenses	9,585	3,939
	<u>72,395</u>	<u>74,913</u>
<b>Support costs</b>		
Depreciation	1,356	4,006
Governance costs (see note 6)	2,569	2,248
	<u>76,320</u>	<u>81,167</u>

# LIVERPOOL ROOTS TRUST LIMITED

## Notes to the Accounts Year ended 5th April 2018

<b>5. Governance costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Independent examination	2,569	2,248
	<hr/>	<hr/>
<b>6. Net expenditure for the year</b>		
This is stated after charging:-		
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation on tangible fixed assets	4,006	4,006
Independent Examiners fees	2,569	2,248
	<hr/>	<hr/>
<b>7. Staff costs and employee benefits</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	49,271	53,369
Social security costs	2,762	2,415
Other pension costs	285	210
Redundancy	-	2,696
	<hr/>	<hr/>
	52,318	58,690
	<hr/>	<hr/>

No employee received total benefits at the rate of £60,000 (2017:£60,000), or more per annum.

The average number of employees during the year was 2 (2017 3).

## **8. 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 £14,598 (2017 £13,810) during the year for services rendered to the charity.

The trustees did not have any expenses reimbursed during the year (2017 £Nil).

The total amount of employee benefits received by key management personnel is £34,673. (2017 £33,758). The trust considers its key management personnel to comprise the Centre Manager.

# LIVERPOOL ROOTS TRUST LIMITED

## Notes to the Accounts Year ended 5th April 2018

<b>9. Tangible fixed assets</b>	<b>Land and Building £</b>	<b>Motor Vehicle £</b>	<b>Total £</b>
<b>Cost</b>			
At 6th April 2017 and 5th April 2018	27,997	18,019	46,016
<b>Depreciation</b>			
At 6th April 2017	17,997	9,826	27,823
Charge for the year	-	1,356	1,356
At 5th April 2018	17,997	11,182	29,179
<b>Net book values</b>			
At 5th April 2018	10,000	6,837	16,837
At 5th April 2017	10,000	8,193	18,193
<b>10. Debtors</b>		<b>2018 £</b>	<b>2017 £</b>
Prepayments		979	967
Accrued income		7,817	13,532
		8,796	14,499
<b>11. Creditors: Amounts falling due within one year</b>		<b>2018 £</b>	<b>2017 £</b>
Other taxes and social security		-	1,312
Accruals and deferred income		3,209	4,042
		3,209	5,354
<b>12 Financial instruments</b>		<b>2018 £</b>	<b>2017 £</b>
<b>Financial assets</b>			
Debt instruments measured at amortised cost		77,288	76,634
<b>Financial liabilities</b>			
Measured at amortised cost		3,209	4,042

# LIVERPOOL ROOTS TRUST LIMITED

## Notes to the Accounts Year ended 5th April 2018

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### 13. Related party transactions

There were no related party transactions during the year (2017 £Nil).

### 14. 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 £285 (2017 £210).

### 15. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2018 £	2017 £
Net income for the year	1,299	1,194
Interest receivable	(115)	(143)
Depreciation of tangible fixed assets	1,356	4,006
(Increase)/Decrease in debtors	5,703	(5,631)
Increase/(Decrease) in creditors	(2,145)	122
Net cash flow from operating activities	6,098	(452)



# LIVERPOOL ROOTS TRUST LIMITED

## Income and Expenditure Account Year ended 5th April 2018

	2018		2017	
Unrestricted income	£	£	£	£
L C C Urban aid revenue grant		68,935		68,935
Interest received		115		143
Day-care receipts		7,873		12,472
Other miscellaneous income		696		811
		<u>        </u>		<u>        </u>
<b>Total income for the year</b>		<b>77,619</b>		<b>82,361</b>
		<u>        </u>		<u>        </u>
<b>Expenditure</b>				
Food	123		262	
Motor expenses and travel	2,561		3,127	
Water rates	285		43	
Rates	330		342	
Heat and light	1,884		1,895	
Insurance	3,404		3,398	
Cleaning, repairs & maintenance	611		1,890	
Garden expenses	9		14	
Telephone	778		748	
Burglar alarm & security	1,236		1,173	
Stationery, post & advertising	28		231	
Session workers/tuition	7,530		1,388	
Office sundries	93		183	
Outings	58		140	
Accountancy	2,569		2,248	
Payroll bureau fees	1,104		1,374	
Bank charges	30		-	
Interest paid	-		2	
Depreciation of motor car	1,356		4,006	
Directors remuneration	14,598		13,810	
Wages & salaries	34,673		39,559	
Redundancy	-		2,696	
Staff defined contribution pension costs	285		210	
Employers' national insurance	2,762		2,415	
Annual return	13		13	
	<u>        </u>		<u>        </u>	
		76,320		81,167
		<u>        </u>		<u>        </u>
<b>Surplus for the year</b>		<b>1,299</b>		<b>1,194</b>
		<u>        </u>		<u>        </u>