

RED ROSE RECOVERY LANCASHIRE

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Company Number: 08302102
Charity Number: 1152474

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RED ROSE RECOVERY LANCASHIRE TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2019

The trustees are pleased to present their annual report for the year ended 31st March 2019.

The financial statements comply with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (Sorp 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015).

OBJECTIVES AND ACTIVITIES

The charitable company's objectives are specifically restricted to the following for the community in Lancashire and the north of England:

- To relieve poverty, sickness and distress amongst offenders and those in recovery from addiction and their families by the provision of advice, information, training and support in accessing employment, enterprise and community based opportunities including volunteering.
- The advancement of health by the reduction or prevention of addiction and relapse for those in recovery, reduction of harm and offending.
- The advancement of education of the individual, organisations and the community at large on issues of addiction, supporting sustainable recovery, reduction of harm and offending
- To promote such other charitable purposes as may from time to time be determined.

Red Rose Recovery Lancashire provides community based opportunities for ex-offenders and people in recovery. Our provision recognises and builds on beneficiaries' gifts and skills, creating a positive environment for individuals, often viewed negatively, to move forward. Red Rose Recovery Lancashire can help people take up activities that contribute to their further development and to the life of their local communities – sometimes feeling a sense of worth and achievement for the first time. Red Rose Recovery Lancashire employs a staff team, including some in recovery, based in community settings and hosted within local voluntary groups across Lancashire.

Our core work involves coaching service users in addiction by utilising the skills of individuals with lived experience who deliver therapeutic support. We work in hospitals, in the community and primary care environments where our work is most effective.

ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

1. LCC Recovery Infrastructure Organisation (RIO)

1.1 Lancashire User Forum (LUF)

A total of 1,735 people attended the LUF meetings during the period, including LUFStock an annual camp for families in recovery and the routine steering groups where service users develop, plan and set the LUF agendas.

LUF was also featured in the Lancashire Evening Post, with the article linked below

<https://www.lep.co.uk/news/i-went-from-jail-to-buckingham-palace-1-9655745>

1.2 Referrals and engagement

During the accounting period some 1,279 referrals were received into Red Rose Recovery, seeing some 13,560 interventions with service users amounting to 94% against a target of 60%. This equated to an average of 261 interventions provided weekly, an increase of some 57 weekly on the previous year.

1.3 Volunteers & Members

Of those referrals engaged with, 36 became lead volunteers and supported into roles providing 8282 volunteer hours with an economic value of £69,983, contributing to local communities, neighbourhoods and well-being.

Developing volunteers is an area of focus for the coming year to support members into volunteering, recognising the due diligence requirements around taking on such positions.

The membership number for the reporting period amounted to 650 following as full review to ensure Data Protection legislation and GCPR adherence.

1.4 Projects

Across the course of the year some 24 projects were in place, against a KPI target of 6. Examples include;

Grow and Eat; a weekly project supporting a group to plant fruit herbs and vegetables at a community centre. All attendees receive a hot lunch using the produce grown and a formal input then provided on planting and horticulture. The outputs being the provision of an opportunity to connect, promote healthy eating and learning new skills.

Jobcentre Plus project has been run across Skelmersdale, Lancaster and Morecambe, with plans to expand into Preston and Ormskirk.

Initial sessions with jobcentre plus staff to break down stigma and use lived experience to inform staff of life in addiction and recovery and the effects of the benefit system on this. Regular sessions (vary according to centre) where our staff and volunteers are available for appointments with clients who the jobcentre staff refer for support.

Bingo; A bingo event held monthly, ran by peers seeing connections and an opportunity to have fun and win prizes all funded by the BRiC fund and donations. Greggs bakery donate food for the event with the outcomes fitting within the five ways of wellbeing providing opportunities to be active by coming, taking notice that they can have fun, giving back by support each other at the event, learning how to play the game and social skills and connecting by meeting new people. The event also provides food and prizes for people who are struggling financially.

1.5 Groups

Over the reporting period groups to support connections and improving recovery capital continue to thrive across the area, with some 68 staff led groups, providing 1421 sessions.

In addition through development of volunteers, service user led group's amounted to 73 groups providing 648 sessions over the year.

A full list of group activities is available via <https://www.redroserecovery.org.uk/events-calendar>

Examples include;

Computer Workshops, An introduction to IT, the level of ability taken into full consideration and uses assets already held including the bank of computers at St James in Accrington and the interactive whiteboard.

Members who complete 4 sessions will get a free USB stick and long with IT skills the sessions provided opportunities to connect with peers, reduce social isolation and promote 5 ways to wellbeing. Outcomes included; Upskilling community, Reducing social isolation, Enabling attendees to access the digital world with greater confidence, useful for employment, benefits, confidence and general communication.

Connect groups; this is our entry into Red Rose Recovery, where we try to direct new referrals. We encourage all who attend to sign up as RRR members.

Groups are run weekly across Lancashire and predominantly it is a low level behaviour change group where attendees score their behaviour for the past week against each of the 5 Ways to Wellbeing. They then set themselves a challenge to boost a score by doing something for the coming week e.g. to take a walk, to see what courses are on at local college, to call their parents.

Outcomes include attendees to think about their behaviours and notice how small changes can positively impact on their lives, to learn more about Red Rose and what is on in their local community, to be a part of something intended to reduce social isolation.

Pool & Problems, a weekly group held in Lancaster and came from an idea from members for attendees to connect and have fun.

LUF Social, held weekly in Burnley starting with a free hot meal and afternoons of activities

Women's Group, held in all localities where the group helps women connect with each other over refreshments and interactions supported by quizzes, board games and crafting.

Men's Group; The Men's group was set up to help men feel safe in sharing their problems without feeling judged and is peer lead, held weekly where men have created a network that has helped them get into recovery and some maintain their recovery. This provides for social days out using time credits through to sharing of individual journeys safely.

Art Group; a weekly group held in Skelmersdale and Accrington with groups working and being supported to develop seasonal themes e.g. 'Crafting for Christmas' making Christmas cards and decorations

Community Cinema, open to both people in and out of recovery with a diverse attendance of some 20-30 people weekly. Once established, it moves to peer led (although staff will lead if no suitable peer is available) with films chosen at the end of the month by cinema members for the next month. This provides for volunteer opportunities with outcomes showing the impact of social isolation.

1.6 Training Citizenship programme

Citizenship a RRR in-house training package, designed to support service users through their recovery journey as part of a 4 stage process, during the period some 5 participants engaged in this training on the first stage whilst awaiting contractual arrangements to deliver this wider, as seen moving into 2019.

Some 200 service users in total were trained during the period against a target of 200, including internal training including training in peer training (coaching), confidence building in 'speaker boot camp' boundaries and leadership skills in addition to citizenship training and aside from mandatory training of Safeguarding, Prevent, Information Governance and Health & Safety.

RED ROSE RECOVERY LANCASHIRE TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2019

A total of 13 'mystery shopper' exercises were executed within treatment services across Lancashire by both volunteers and staff in order to provide feedback on the experience of commissioned drug and alcohol treatment services.

1.7 Outcomes

Of the 28 positive outcomes captured against the KPIs set by commissioners, 20 service users gained employment, 1 went into education, 2 into rehabilitation and 5 into training.

2. Contracts

CGL(Change Grow Live) Access to Change contract outcomes

This contract came to an end March 2019 following the withdrawal of the contract by CGL due to their funding restrictions and the loss of 6 paid roles, 3 of those resources exiting the organisation for alternative paid posts and 3 taking redundancy.

STEP

This contract came into being July 2017 and ran throughout the reporting period as a subcontract arrangement to CGL providing a community intervention for those accessing a hospital Trust. No formal performance indicators were set during the period.

Blackpool Council Children's Services

This contract came into being formally November of the reporting period providing for the provision of the Citizenship programme to Domestic Violence victims and allowed for the recruitment of 2 new resources, one of whom being Louise West an outcome in itself;

Louise and Steven have come through recovery together after long histories of addiction, going back to their early teenage years. Both came to Red Rose initially as members, then volunteers and eventually as staff. Louise working on the Blackpool project and Steven on the LCC contract as a Volunteer Coordinator. Steven has since left his role and moved on to another recovery based job in Blackpool.

Louise had never had a job interview when I first met her at a County LUF in August 2018 but she expressed an interest in working for Red Rose and I encouraged her to apply for a job in the Blackpool project. Louise applied and gave a fantastic interview and was duly appointed and is doing some great work.

Both were recently invited to meet the Duke and Duchess of Cambridge on their recent visit to Blackpool to discuss addiction and recovery and their inspirational journeys.

Press reports of this visit are linked below:

<https://www.expressandstar.com/news/uk-news/2019/03/06/duke-of-cambridges-praise-for-recovering-drug-addicts?sfns=mo>

<https://www.bbc.co.uk/news/uk-england-lancashire-47462885>

Office of Police and Crime Commission (OPCC)

This contract is for the provision of the Citizenship programme to those referred in by the Police identified as opportunities to reduce reoffending via this intervention.

A number of challenges have presented over the period due to the lack of referrals and understanding of the offer and how that could fit with the internal restructures of the Police. Through interventions and a range of meetings and presentations no blocks have been identified but revised processes to support the Police changes should support the unblocking of referrals.

FINANCIAL REVIEW

Total income in the year was £647,110 (2018: £690,788) of which £26,088 (2018: £29,964) related to funding for projects upon which restrictions are placed.

Total expenditure in the year was £701,988 (2018: £736,688), leaving a deficit for the year of £54,878 (2018: deficit £45,900)

At 31st March 2019 the charitable company's reserves stood at £273,212 (2018: £328,090) of which £16,320 (2018: £18,010) represented restricted funds.

RISK ASSESSMENT

The main risks to which the charity is exposed as identified by the Trustees have been considered and systems have been established to mitigate those risks.

RESERVES POLICY

It is the policy of the charitable company to maintain unrestricted funds, which are free reserves at a level to cover redundancy provision and three months running costs should no further funding be received.

As at the end of the financial year the unrestricted funds totalled £256,892. The charitable company requires £43,381 for redundancy provision and £170,142 for three months running costs, (total £213,523).

PLANS FOR FUTURE

The Charity's strategic 3 year forward view, taking account of its track record over the past 3 - 5 years has placed it in a strong position, such that it continues to look at accessing contract opportunities and longer term projects.

In particular the Charity is looking at accessing new contracts over the next 3 years and the opportunities to increase its capacity to deliver and support vulnerable people and other groups.

We are currently reviewing or submitted proposals for the following;

1. Changing Faces Partnership-Big Lottery. Collaboration between Hyndburn Leisure, Serenity Self Care, Ynot Aspire and other like-minded agencies to provide a community hub promoting positive mental health and resilience through a range of projects and activities. The partnership will be ACE aware and have ACE and Trauma informed staff throughout. RRR will provide minimum of 42 places on the Citizenship Programme per annum
2. AFC Fylde Partnership-Big Lottery- ACE informed therapeutic counselling/interventions service.
3. Blackburn with Darwen Public Health, Helping People Stay Happy, Healthy & Well.
4. Leadership Programme, OPCC. Proposal to support the development and mentoring of emerging leaders within the RRR volunteer network.

If successful the collective total of the bids is significant and would sustain growth in the Charity, building on the experience and knowledge gained over the previous years in delivering its contracts. Scoping further opportunities and submitting further proposals during the coming year is ongoing work and remains a strategic priority.

RED ROSE RECOVERY LANCASHIRE
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2019

Opportunities to further develop partnerships continue in order to support collaborative bids as these emerge. Examples include, our work within the Lancashire & South Cumbria Integrated Care System and representation on the VCFS group, partnership work with the University of Central Lancashire, Lancashire Constabulary, the National Probation Service, and the Changing Faces Partnership, working with Hyndburn Leisure, Ynot Aspire and Serenity Self Care are particularly noteworthy.

The development of the Delta phase of our Citizenship Programme is completed and being piloted across Lancashire with former offenders, funded by the Police & Crime Commissioner and a new service in Blackpool.

We also continue to develop opportunities outside of our main commissioned geographical area and trading opportunities outside of recovery.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 21st November 2012 (company number 08302102) and registered as a charity (charity number 1152474) on 18th June 2013.

The Governing Instruments under which the charitable company operates comprise the Memorandum and Articles of Association dated 21st November 2012. Anyone over the age of 18 can become a member. The Charity's Board of Trustees are also its Directors.

Members are elected at the Annual General Meetings of the members of the Charity, with casual vacancies being filled as required by the Board of Trustees in accordance with the Charity's Articles of Association. The Board meets regularly throughout the year and attends to all strategic and operational matters.

RED ROSE RECOVERY LANCASHIRE
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Name	Red Rose Recovery Lancashire
Company Number	08302102
Charity Number	1152474
Registered Office	St Wilfrids Building Fox Street Preston England PR1 2AB
Directors	Neil Smith (Chair) Thomas Woodcock (Treasurer) Jennifer Ellison Amanda Webster Kerry Holmes Tony Husband (Resigned 28 th January 2019)
Strategic Engagement Lead	Peter Yarwood
Independent Examiner	Graham Wright B A (Hons), FCA DChA Liverpool Charity and Voluntary Services 151 Dale Street Liverpool L2 2AH
Bankers	The Co-Operative PLC P O Box 250 Skelmersdale Lancashire WN8 6WT

Signed on behalf of the Board of Trustees


.....
Neil Smith
Director and Chair

Date: 3/10/19

RED ROSE RECOVERY LANCASHIRE STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

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

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

This report has been prepared in accordance with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (Sorp 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015).

By Order of the Board



Thomas Woodcock
Director and Treasurer

St Wilfrids Building
Fox Street
Preston
England
PR1 2AB

Date: 3 OCT 2019

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF RED ROSE RECOVERY
LANCASHIRE FOR THE YEAR ENDED 31ST MARCH 2019**

I report on the accounts of the charitable company for the year ended 31st March 2019, which are set out on pages 11 to 20.

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 year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act, and
- to 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 the 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 and 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 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.

Name: **Mr. Graham Wright**
Relevant professional qualification or body: **FCA DChA**
Address: **c/o LCVS 151, Dale Street, Liverpool, L2 2AH**
Dated: **.....8.....October.....2019.....**

RED ROSE RECOVERY LANCASHIRE
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019	Total Funds 2018
Income and endowments from:		£	£	£	£
Donations and legacies	3a	3,717	-	3,717	3,763
Charitable activities	3b	617,305	26,088	643,393	687,025
Total income		621,022	26,088	647,110	690,788
Expenditure on:					
Charitable activities	4	674,210	27,778	701,988	736,688
Total expenditure		674,210	27,778	701,988	736,688
Net expenditure)/income, net movement in funds		(53,188)	(1,690)	(54,878)	(45,900)
Transfer between funds		-	(-)	-	-
Total funds brought forward	9,10	310,080	18,010	328,090	373,990
Total funds carried forward	8-10	256,892	16,320	273,212	328,090

The notes on pages 13 to 20 form part of these accounts.

All the above amounts relate to continuing activities of the charitable company.

RED ROSE RECOVERY LANCASHIRE
BALANCE SHEET AS AT 31ST MARCH 2019

Company Number 08302102

	Notes	31 st March 2019 £	31 st March 2018 £
Fixed assets			
Tangible fixed assets	5	7,200	9,600
Current assets			
Debtors	6	13,144	6,439
Cash at bank and in hand		271,014	325,147
		-----	-----
		284,158	331,586
Current liabilities			
Creditors: amounts falling due within one year	7	(18,146)	(13,096)
		-----	-----
Net current assets		266,012	318,490
		-----	-----
Total assets less current liabilities		273,212	328,090
		=====	=====
Funds:			
Unrestricted funds	8, 9	256,892	310,080
Restricted funds	8-10	16,320	18,010
		-----	-----
		273,212	328,090
		=====	=====

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

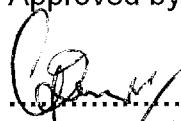
These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

For the period covered by these accounts the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

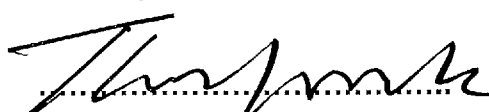
No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The trustees, who are the directors of the company, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board on 3.10.19, and signed on their behalf by:



Neil Smith
 Director and Chair



Thomas Woodcock
 Director and Treasurer

RED ROSE RECOVERY LANCASHIRE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1. Limited Liability

The charity is a company limited by guarantee. Each member's liability is limited to £5.

2. Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (SORP 2015) (effective 1st January 2015), Charities Act 2011 and the Companies Act 2006.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Fund accounting

Unrestricted funds are the charity's free reserves available for the trustees to apply in accordance with the charitable company's charitable objectives.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure for the purposes is charged to the fund.

Income recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies comprise of donations and general grants which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from charitable activities is recognised on an accruals basis except for grants receivable, which are recognised on the date on which their unconditional payment is confirmed by the donor.

Income from investment relates to bank interest received and is recognised when the amount is certain.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relate to the operation of the charity comprising of direct charitable expenditure to meet the objectives of the charitable company. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charitable company.

Fixed Assets

Capital expenditure of £500 and above is stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its expected useful life as below:

Motor Vehicle	20% per annum straight line basis
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Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Taxation

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The charitable company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Income and endowments

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
a. Donations and Legacies				
Donations	3,717	-	3,717	3,763
	=====	=====	=====	=====

RED ROSE RECOVERY LANCASHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

3. Income and endowments (continued)

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
b. Charitable activities				
Big Lottery Fund Grant - Awards For All	-	-	-	10,000
Bowland Charitable Trust - Omega Project	-	-	-	19,964
Contract Income	585,298	-	585,298	650,188
Other Income	2,387	-	2,387	4,300
Police & Crime Commissioner (PCC)	29,620	-	29,620	-
Blackpool Council	-	26,088	26,088	2,573
	617,305	26,088	643,393	687,025
	=====	=====	=====	=====

4. Expenditure on Charitable Activities

	Direct Charitable Expenditure £	Support & Governance Costs £	Total 2019 £	Total 2018 £
To provide advice, information, training and support to offenders and those in recovery from addiction and their families	336,789	365,199	701,988	736,688
	=====	=====	=====	=====

a. Analysed as follows:

	2019 £	2018 £
<i>Direct charitable expenditure:</i>		
Staff salaries costs	202,217	330,547
Project expenses	94,790	106,204
Consultancy and management fees	17,685	40,995
Events	13,246	9,986
Narrow boat operating expenses	1,052	2,601
Volunteer expenses	6,578	12,833
Citizenship	1,221	-
Fundraising expenses	-	38
	336,789	503,204
	=====	=====

RED ROSE RECOVERY LANCASHIRE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

4. Expenditure on Charitable Activities (continued)

	2019	2018
	£	£
<i>Support & Governance costs:</i>		
Staff salaries costs	290,994	160,939
Travel expenses	28,381	31,549
Printing, stationery and postage	4,978	2,888
Telephones and IT costs	13,152	15,225
Office costs	457	421
Insurance	8,508	9,853
Membership fees	65	50
Staff training and development	1,275	3,286
Website Database	2,250	-
Equipment	-	2,709
Evaluation	10,000	-
Marketing	1,739	1,664
Accountancy fees	1,000	1,500
Depreciation	2,400	2,400
Loss on disposal of asset	-	1,000
	-----	-----
	365,199	233,484
	-----	-----
Total expenditure on charitable activities	701,988	736,688
	=====	=====

£27,778 (2018: £98,230) of the above expenditure relates to restricted funding.

b. Staff Costs	2019	2018
	£	£
Gross salaries and wages	440,122	448,661
Social security costs	41,825	35,930
Pension Costs	11,264	6,895
	-----	-----
	493,211	491,486
	=====	=====

c. Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time Equivalents, was as follows:

	2019	2018
Charitable activities	17.3	19.4
	=====	=====

No employee received emoluments of more than £60,000 during the year.

The Trustees, being also the Directors of the Company, are not remunerated for their services and are not included in the above number of employees.

No out of pocket expenses were reimbursed to trustees in the year (2018: £nil).

RED ROSE RECOVERY LANCASHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

5. Tangible Fixed Assets

	Narrow Boat £	Motor Vehicle £	Total £
Cost			
Balance at 1 st April 2018	-	12,000	12,000
Additions in the year	-	-	-
Disposals	-	-	-
	-----	-----	-----
Balance at 31 st March 2019	-	12,000	12,000
	-----	-----	-----
Accumulated Depreciation			
Balance at 1 st April 2018	-	2,400	2,400
Charge for the year	-	2,400	2,400
Depreciation on disposals	-	-	-
	-----	-----	-----
Balance at 31 st March 2019	-	4,800	4,800
	-----	-----	-----
Net book value at 31st March 2019	-	7,200	7,200
	=====	=====	=====
Net book value at 31 st March 2018	-	9,600	9,600
	=====	=====	=====

6. Debtors

	2019 £	2018 £
Trade debtors	13,144	5,359
Other debtors	-	1,080
	-----	-----
	13,144	6,439
	=====	=====

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	3,478	3,155
Tax & Social Security	7,856	7,660
Accruals	6,812	2,281
	-----	-----
	18,146	13,096
	=====	=====

RED ROSE RECOVERY LANCASHIRE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

8. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds			
General Fund	-	256,892	256,892
	-----	-----	-----
Restricted Funds			
Blackpool Council	-	9,120	9,120
Bowland Charitable Trust - Omega Project	7,200	-	7,200
	-----	-----	-----
	7,200	9,120	16,320
	-----	-----	-----
Total Funds	7,200	266,012	273,212
	=====	=====	=====

9. Unrestricted Funds

		<u>Movements in the year</u>		
	Resources at beginning of year £	Income £	Expenditure £	Resources at end of year £
General Fund	310,080	621,022	(674,210)	256,892
	=====	=====	=====	=====

General Fund is used to finance the charitable company's general activities as outlined in the Trustees' Report.

10. Restricted Funds

	Resources at beginning of year £	Income £	Expenditure £	Resources at end of year £
Big Lottery Fund Grant - Awards For All	8,410	-	(8,410)	-
Blackpool Council	-	26,088	(16,968)	9,120
Bowland Charitable Trust - Omega Project	9,600	-	(2,400)	7,200
	-----	-----	-----	-----
	18,010	26,088	(27,778)	16,320
	=====	=====	=====	=====

These are monies given to the charitable company to be spent at the discretion of the Board of Trustees for specific charitable purposes

RED ROSE RECOVERY LANCASHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Big Lottery Fund Grant -Awards For All - Peer Support group supporting individuals with family members in addiction or in recovery.

Blackpool Council - provision of the Citizenship programme to Domestic Violence victims

Bowland Charitable Trust – Omega Project - to provide and co-ordinate volunteers to work on the OMEGA project, which aims to take volunteers with experience in the criminal justice system and provide them with training and experience working on a building renovation in East Lancashire – This project ended in autumn 2017.

11. Operating Lease Commitments

There were no financial commitments under non-cancellable operating leases (2018: none).

12. Contingent Liabilities

The Charitable company did not have any contingent liabilities at 31st March 2019 (2018: none).

13. Related Party Transactions

There were no material related party transactions during the year which require disclosure (2018: none).

14. Guarantees

As at 31st March 2019, 6 members had given a guarantee of £5 each in the event of the charitable company winding-up; total: £30 (2018: 7 members £35).

RED ROSE RECOVERY LANCASHIRE
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2019

	2019	2018
	£	£
INCOME		
Grant Income	29,620	29,964
Contract Income	585,298	650,188
Training & Consultancy	26,088	2,573
Donations	3,717	3,763
Other income	2,387	4,300
	-----	-----
Total Income	647,110	690,788
	-----	-----
EXPENDITURE		
Charitable activities		
Staff salary costs	493,211	491,486
Project expenses	76,881	82,552
Consultancy and management fees	17,685	40,995
Event costs	13,246	9,986
Narrow boat operating expenses	1,052	2,601
Volunteer expenses	6,578	12,833
Citizenship	1,221	38
Website Database	2,250	-
Travel expenses	28,381	31,549
Printing, stationery and postage	4,978	2,888
Telephones and computer costs	13,152	15,225
Rent / Room hire	17,909	23,652
Office running costs	457	421
Insurance	8,508	9,853
Membership fees	65	50
Staff training and development	1,275	3,286
Equipment	-	2,709
Evaluation	10,000	-
Marketing	1,739	1,664
Accountancy fees	1,000	1,500
Loss on sale of tangible asset	-	1,000
Depreciation	2,400	2,400
	-----	-----
Total expenditure on charitable activities	701,988	736,688
	-----	-----
Net (expenditure) for year	(54,878)	(45,900)
	=====	=====

(This page does not form part of the statutory financial statements)