

REGISTERED COMPANY NUMBER: 02450753 (England and Wales)
REGISTERED CHARITY NUMBER: 1000903

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
CLARO ENTERPRISES**

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

CLARO ENTERPRISES

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FOR THE YEAR ENDED 31 MARCH 2022**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Purposes and Aims

The charity's purposes as set out in the objects contained in the company's Memorandum of Association are to:

- relieve poverty and distress among sufferers from schizophrenia and mental illness generally
- advance the education of persons suffering from schizophrenia or other mental illness and in particular to promote, provide and support schemes where such persons may receive training in a supportive and supervised environment.

The aims of our charity are to:

- improve the quality of life and self-esteem of those suffering from severe and enduring mental health problems
- listen to our service users and respond to their changing requirements
- support our service users by creating a working environment which is as realistic as possible
- fulfil obligations to service users as set out in the Community Care Agreement we have with North Yorkshire County Council.

Ensuring our work delivers our aims

We review our aims, objectives and activities at least annually. We consider what we have achieved, what has not gone so well and what changes need to be considered to ensure we remain focused on our stated purposes.

A principal concern for the Trustees is to maintain our support for our present service users and to develop in a way which enhances the sustainability of our service.

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives of the charity and enable it to meet its charitable purposes for the public benefit.

The focus of our work

The present focus of our work is to:

- provide a community workshop facility for those suffering from long term severe and enduring mental health problems including schizophrenia and bipolar disorder
- provide meaningful work related activity for sufferers
- provide information and support for sufferers and their carers
- support other organisations working in the same field

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

OBJECTIVES AND ACTIVITIES

Public benefit

How our activities deliver public benefit

All our charitable activities focus on helping and supporting our service users.

In the year covered by this report Claro Enterprises provided the following activities and services for its beneficiaries:

- a variety of activities and opportunities to learn new skills, including woodworking, packaging and light assembly
- training and supervision on the use of equipment and machinery and first aid
- facilitating NYCC who provided training on a range of topics which help beneficiaries manage their own mental health
- through partnerships with other local charities such as Chopsticks and Veterans Woodcraft delivering programmes in glass art and manufacture of bespoke wood craft items
- a supportive and structured environment where beneficiaries gain genuine work experience and opportunities to socialize and gain confidence
- supported work experience to help beneficiaries access work experience, volunteering and employment in external businesses and organizations
- a forum for beneficiaries to discuss and share their ideas, concerns and future requirements
- accommodation, equipment, personnel, volunteers and training to maintain a Men's Shed and develop Women's Shed facility for Starbeck
- remote support to service users following the outbreak of Covid 19 and subsequent lockdowns consisting of regular phone calls, socially distanced staff home visits to deliver work and leisure activities for example 1 - 1 walking sessions
- formation of the Route 1 Partnership which consists of four local charities which provide a wide range of complementary activities and support services. Route 1 employs a coordinator who acts as a single point of referral for Social Prescribers based in GP practices
- employment of a dedicated mental health worker who focuses on building service user confidence and self esteem to support and encourage people to try activities, education or work which match interests, skills and experience.

Our management and staff liaise closely with other agencies to ensure that the needs of service users are met and that new potential service users are made aware of Claro and its services. One of the principal benefits of our work is reduced dependence on primary and secondary health care services by our service users

Who used and benefitted from our services

Claro continued to expand service delivery through 2021/22 following the adjustments made during the Covid 19 Pandemic. We have provided long-term support to over 30 people per week who have severe and enduring mental health issues and have continued to receive referrals through the Route One mental health partnership.

Referrals are made by Social Prescribers based in GP surgeries. Those who are referred can attend for up to 12 weeks though some have stayed on as volunteers. In early 2021 this referral pathway was extended so that Community Mental Health Teams could also make referrals directly to Claro and other partners. A further 15 people have been supported through this route.

In Autumn 2021 we provided a work placement for a college student with additional needs. Two more students have since started placements and several more have attended work taster sessions.

Starbeck Men's shed has continued to thrive this year with a core membership of 15 attending regularly and a further 10 people attending intermittently. In January 2022 we started Starbeck Ladies shed which has been equally popular with 10 people regularly attending. It has an overall membership of 25 people from the local community. Older (50+) people attend the sheds to learn new skills and reduce isolation but there are also younger members of both groups.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Our principal concern is the continued wellbeing of our beneficiaries and their development, with the objective that they can take up positions in the regular employment market. It is pleasing to report that one of Claro's full time supervisors was formerly a service user, one has moved on from Claro and is now employed in another area of the county and another although still attending at Claro has taken up volunteering opportunities.

From a trading point of view this year was challenging for Claro as NYCC requirements related to Covid control measures meant that users were restricted in the number of hours they could spend at Claro. There was lower demand for our products in woodwork and in our business services department as our customers businesses suffered from the pandemic and associated economic effects.

The contractual changes implemented by NYCC have bedded down. These materially increase the administration burden on management and staff and have reduced the level of financial support previously provided by NYCC by around 40%. The impact on service users has been minimised. As a result of these changes of the 30 people regularly attending Claro 18 are funded by NYCC but since the end of the year 2 have had funding removed. Claro directly supports and funds all other service users. Claro continues to seek public and volunteer fundraising and grant support from charitable foundations and local businesses.

Despite the challenges caused by the pandemic the General Manager, the Workshop Manager and the staff succeeded in modifying Claro's approach and ensured work, activities and practical support was made available in a safe manner to service users. It is testament to their efforts that with the easing of Covid measures in June 2021 virtually all clients have returned to the charity albeit for reduced hours due to NYCC constraints.

Claro continued to work in line with local and national Covid regulations and guidelines. A number of measures were identified to help reduce the risk of Covid 19 and make Claro a Covid safe environment. These included :

- restructuring support sessions to ensure social distancing at all times
- temperature checks, handwashing and masks worn on entry
- installation of a handwashing station at the entrance - clients and staff trained in good handwashing techniques
- a range of PPE was purchased including IIR masks and face screens for those unable to wear masks
- regular handwashing breaks throughout the session
- increased cleaning schedules
- one way system in the workshop

The Management Committee is very grateful for the superb efforts made by all staff in the face of the most challenging environment imaginable.

The lower demand for our products and services remains a major challenge and risk for Claro. Financially Claro has not had to call on its reserves this year because of the success of our fundraising efforts from volunteers, local businesses and charitable foundations, tight cost control and use of the Government financial support measures such as the furlough scheme. However the ongoing impact of Covid-19 on the level of demand for services and goods and the reduced funding from NYCC remain concerns and although difficult to quantify so it is probable that there will be a future call on reserves to ensure the ongoing operation of the charity.

The management and Trustees continue to seek new customers and services both in woodwork and business services. Previous efforts have been successful but momentum was stalled during the pandemic but is now being reenergised. Claro continues to develop new wood based products which it is actively marketing. The contribution from the Men's Shed in developing and producing new products is very beneficial. Claro remains active in seeking grant and external financial support.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

FINANCIAL REVIEW

Principal funding sources

Core funding has been provided by North Yorkshire County Council. This funding has not kept pace with cost increases and its real value has been eroded over the last few years. As previously reported these arrangements changed at the end of September 2019. Following a period when the impact on Claro's financial position was minimal it is now apparent that the reduction in funding from this source is of the order of 40% due to restrictions on hours placed on Claro by NYCC and removal of support from some beneficiaries by NYCC. It is unlikely that this situation will change in future due to continuing cost pressures on NYCC

Claro received support from Tees and Esk Wear Valley (TEWV) Winter Pressures Funding, Stronger Communities, ShareGift, and Craven College. NYCC also contributed to the setting up of the Harrogate Hub. Such support and generosity is invaluable and is greatly appreciated by all at Claro.

The Charity depends on its trading activities as its other main source of funding and this income ensures financial viability and the continuation of the Charity.

We are grateful for the valuable support provided by all our funders and for the orders for goods and services received from our customers.

Investment policy and objectives

The Charity does not have a formal investment policy. The Charity's principal asset is its building which it owns and the equipment which it contains.

Reserves policy

The Management Committee has, for many years, determined that reserves not invested in fixed tangible assets should cover at least the value of two years financial support received from NYCC. This is to mitigate against loss of core funding. The Committee remains of the view that this is a prudent policy in the current economic climate and thus continues to hold significant sums in appropriate accounts. This policy is subject to regular review.

Reserves are held in a number of bank accounts and are reviewed regularly with the aim of ensuring that the amounts held in each account are adjusted to ensure that they are below the threshold which is covered by the Financial Services Compensation Scheme.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

FUTURE PLANS

In the present economic climate, the cost of living increases and the ongoing impact of Covid 19 we believe that continuing to deliver our core service is important as our service users are among the most vulnerable in society and their well being is very dependent on the Charity's existence.

We recognize that national policy is emphasizing mental health needs. During the year we continued discussions with North Yorkshire County Council about how Claro might develop its service in order to help more people in a wider variety of ways and these discussions will continue.

Claro is aware that the closure of the Briary Wing in Harrogate, along with inpatient beds, will put more pressure on the Community Mental Health and crisis teams and day facilities such as Claro will become even more important than at present. Claro staff and Trustees are working hard to develop relationships with the relevant areas of health management to discuss how we might help.

Route One - a mental health partnership with Orb, Harrogate MIND and Wellsprings Therapy - has continued to develop with funding received from TEWV Trust to establish a second referral pathway for patients supported by their Community Mental Health Teams. We have continued to receive a consistent flow of referrals from Social Prescribers and are gratified to have received very positive feedback from local GPs. Discussions continue with NYCC and Health about a longer term funding agreement for Route One.

The Trustees recognize that with the reduction in funding from NYCC, the increased cost of doing business due to inflation eg staff costs, energy costs and insurance costs and the continued downturn in commercial activity Claro is not financially sustainable in the medium term (2 - 3 years) unless something changes. This represents an ongoing challenge for the charity and is kept under close review by the Trustees.

Claro continues to monitor national and local developments in the area of mental health and well being with the aim of modifying and enhancing its services where appropriate. In particular we wish to further develop our individually tailored short term programmes for service users who could use Claro as a stepping stone back into the regular employment market.

We will continue the work we have started to increase staff flexibility and organizational capability through development and training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organization is a charitable company limited by guarantee, incorporated on 11th December 1989 and registered as a charity on 13th November 1990. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of management committee

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

Under the requirements of the Memorandum and Articles of Association one third of the Trustees, or the number closest to one third must resign at each AGM and may offer themselves for reelection if they wish.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were reclaimed from the charity by Trustees during the year.

During the year Mr Richard Kenny resigned as a Trustee and Ms Pippa Robson was appointed as a Trustee.

The Trustees are :

Mr Chris Brown reelected in October 2021 - due to resign 2024

Mr Colin Reid reelected October 2019 - due to resign 2022

Mrs Susan Brown reelected in October 2020 - due to resign 2023

Mrs Maggie Archer reelected in October 2020 - due to resign 2023

Mr Richard Kenny reelected October 2019 - resigned April 2022

Mr James Atkins reelected October 2021 - due to resign 2024

Ms Pippa Robson appointed February 2022 - due to resign 2025

Office Bearers are :

Mr James Atkins was elected as Chairman in October 2020

Mr Chris Brown was elected as Deputy Chairman in October 2020

Mrs Susan Brown was re elected as Secretary in October 2020

Organisational structure

The Management Committee met nine times during the year using Zoom to meet during Covid regulations. Charity activities and finances are reviewed at these meetings.

The meetings are attended by:

- the trustees
- a representative of the service users
- Claro General Manager

Meetings between all Claro staff and at least three of the Trustees take place when requested by staff.

Minutes and the decisions made at both of these meetings are recorded.

Induction and training of new trustees

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the Management Committee and decision making processes, the business plan and recent financial performance of the charity. They are encouraged to attend suitable external training.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees confirm that the major risks to which the charity is exposed have been reviewed and systems have been considered and, where appropriate, established to mitigate those risks to the extent that they can reasonably be mitigated.

The principal risks are :

Organisational capacity and flexibility

Of necessity the charity operates with staffing levels which ensure service user safety and maximize efficiency. As a consequence there is very little spare capacity. Most staff have been in position for a considerable number of years and have built deep levels of competence in their areas of responsibility. Prolonged periods of staff sickness or absence or staff resignations represent a significant risk to the charity as at present the flexibility of the staff is somewhat limited. There are some key roles which only one staff member can perform.

The Trustees are aware of this risk and during the year have provided training to supervisors - now business critical activities can be performed by at least two staff members. Ongoing consideration of required staff training and development to address this risk will continue through this coming year.

Financial

Any further reduction in core funding from North Yorkshire County Council would pose a significant risk to the charity. Continued liaison and cooperation with our funders helps us to demonstrate to them the value our services provide and their positive feedback is an encouragement.

Our previous reserves policy is designed to enable the charity to continue for a two to three year period should core funding be lost completely. The Trustees are of the view that the changes to funding in September 2019 coupled with the ongoing challenging commercial environment and the impact of the Covid pandemic will result in more financial pressure on Claro. Claro has now entered a period where alternative funding is being sought to ensure the charity's long term sustainability.

Although our trading income is not dependent on only one or two predominant customers this is an area we continue to have work hard on to develop additional customers. We will continue to spread the customer base and thus further reduce exposure. We set our prices at a very competitive level and concentrate on delivering high quality goods. Customer feedback indicates a high level of satisfaction with our responsiveness, quality levels and value for money.

Cash flow is not an immediate risk given our reserves position. Management review potential bad debts on an ongoing basis and bring any concerns to the attention of the Trustees.

Accounts are subject to annual independent examination. The Management Committee review management accounts and the bank statements at each of their meetings.

Compliance, Safety and Security

Policies and procedures are reviewed by the staff and Trustees on an ongoing basis and are updated as and when required.

Our Health and Safety Policy is up to date and has again been reviewed and updated along with our current safety practices in detail during the year. An external review was carried out by an experienced HSE consultant and all recommendations acted upon.

Necessary insurances, fire and intruder alarms are in place and supported where relevant by service contracts. A CCTV system has been installed to improve premises security.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02450753 (England and Wales)

Registered Charity number

1000903

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

Registered office

Spa Road
Starbeck
Harrogate
North Yorkshire
HG2 7JG

Trustees

Christopher Bratton Brown
Frances Susan Brown
Margaret Jean Scott Archer
Colin William Reid
Richard Carlton Ross Kenny (resigned 28/4/2022)
James Atkins
Pippa Jean Robson (appointed 1/2/2022)

Company Secretary

Frances Susan Brown

Independent Examiner

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

Bankers

Virgin Money
James Street
Harrogate
HG1 1QU

Approved by order of the board of trustees on 25 October 2022 and signed on its behalf by:

James Atkins - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**

Independent examiner's report to the trustees of Claro Enterprises ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity's 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 charity'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:

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.

John Garbutt BA FCA
ICAEW
DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

25 October 2022

CLARO ENTERPRISES

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	120,810	8,000	128,810	194,931
Charitable activities					
Manufacturing & services		56,208	-	56,208	40,698
Investment income	3	112	-	112	222
Total		<u>177,130</u>	<u>8,000</u>	<u>185,130</u>	<u>235,851</u>
EXPENDITURE ON					
Charitable activities					
Manufacturing & services		<u>179,349</u>	<u>8,000</u>	<u>187,349</u>	<u>169,711</u>
NET INCOME/(EXPENDITURE)		(2,219)	-	(2,219)	66,140
RECONCILIATION OF FUNDS					
Total funds brought forward		333,773	180,074	513,847	447,707
TOTAL FUNDS CARRIED FORWARD		<u><u>331,554</u></u>	<u><u>180,074</u></u>	<u><u>511,628</u></u>	<u><u>513,847</u></u>

The notes form part of these financial statements

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**BALANCE SHEET
31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	56,529	180,074	236,603	239,816
CURRENT ASSETS					
Stocks	11	2,015	-	2,015	1,504
Debtors	12	7,440	-	7,440	5,220
Prepayments and accrued income		2,648	-	2,648	2,808
Cash at bank and in hand		280,669	-	280,669	278,655
		<u>292,772</u>	<u>-</u>	<u>292,772</u>	<u>288,187</u>
CREDITORS					
Amounts falling due within one year	13	(7,961)	-	(7,961)	(1,539)
NET CURRENT ASSETS					
		<u>284,811</u>	<u>-</u>	<u>284,811</u>	<u>286,648</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		341,340	180,074	521,414	526,464
ACCRUALS AND DEFERRED INCOME					
	14	(9,786)	-	(9,786)	(12,617)
NET ASSETS					
		<u>331,554</u>	<u>180,074</u>	<u>511,628</u>	<u>513,847</u>
FUNDS					
	15				
Unrestricted funds				331,554	333,773
Restricted funds				180,074	180,074
TOTAL FUNDS					
				<u>511,628</u>	<u>513,847</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)

BALANCE SHEET - continued
31 MARCH 2022

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 25 October 2022 and were signed on its behalf by:

James Atkins - Trustee

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on the going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Government Grant Income

Government grant income is recognised when there is reasonable assurance that the grant will be received, and that Claro Enterprises will comply with any conditions attached to the grant.

Grants are measured using the accruals model.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Governance costs are included within support costs, and are wholly allocated to charitable expenditure.

Allocation and apportionment of costs

Support costs are wholly allocated to the charitable activity of Claro Enterprises, which is the running of the workshop.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	5% - 33.3%
Fixtures and fittings	10% - 33.3%
Computer equipment	20% - 25%

An assessment on the appropriateness of calculating depreciation with reference to cost or with reference to net book value is made on an asset-by-asset basis.

Freehold buildings are not depreciated; they are carried at cost less impairment. It is the company's policy to maintain the property in an continued state of sound repair. Accordingly the trustees consider that the life of the property is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be immaterial.

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Prepayments and accrued income

Prepayments are recognised when the associated payment has been made, until the associated goods or services have been received.

Accrued income is recognised as the charity becomes entitled to it and is measured at fair value.

Cash at bank and in hand

Cash at bank and in hand represents cash held and accessible immediately.

Creditors and provisions

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	6,178	18,058
Grants	122,632	176,873
	<u>128,810</u>	<u>194,931</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
North Yorkshire County Council	113,184	122,578
National Lottery	-	10,000
Two Ridings	-	417
Route One Lottery Funding	8,000	14,500
Coronavirus Job Retention Scheme	448	24,949
NYCC Stronger Communities	1,000	1,474
Co-op Community	-	2,955
	<u>122,632</u>	<u>176,873</u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

3. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	112	222
	<u>112</u>	<u>222</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Woodworking income	26,537	15,257
Outwork income	13,191	8,811
Service charges	13,635	14,130
Men/Women in sheds	2,845	2,500
	<u>56,208</u>	<u>40,698</u>

5. SUPPORT COSTS

	Governance costs
	£
Manufacturing & services	3,949
	<u>3,949</u>

Support costs, included in the above, are as follows:

	2022	2021
	Manufacturing & services	Total activities
	£	£
Wages	-	6,772
Independent Examiner's remuneration	1,600	1,600
Independent Examiner's remuneration for other work	2,349	1,828
	<u>3,949</u>	<u>10,200</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Independent Examiner's remuneration	1,600	1,600
Independent Examiner's remuneration for other work	2,349	1,828
Depreciation - owned assets	4,389	4,983
	<u>8,338</u>	<u>8,411</u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

8. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	107,604	115,369
Social security costs	3,986	4,126
Other pension costs	5,066	5,377
	<u>116,656</u>	<u>124,872</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Employees	<u>7</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

In addition to the full time staff disclosed above, as part of Claro Enterprises' charitable activities, people with long term, severe and enduring mental health problems volunteer in our woodworking and outworking activities. These people are the beneficiaries of the charity and are referred to as our service users.

Service users are not employees and are excluded from the results above. In the year the charity provided support for an average of 30 service users (2021: 19) and service user expenses totalled £5,770 (2021: £3,596)

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	180,431	14,500	194,931
Charitable activities			
Manufacturing & services	40,698	-	40,698
Investment income	222	-	222
Total	<u>221,351</u>	<u>14,500</u>	<u>235,851</u>
EXPENDITURE ON			
Charitable activities			
Manufacturing & services	<u>155,211</u>	<u>14,500</u>	<u>169,711</u>
NET INCOME	66,140	-	66,140
RECONCILIATION OF FUNDS			
Total funds brought forward	267,633	180,074	447,707

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>333,773</u>	<u>180,074</u>	<u>513,847</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2021	227,051	42,300	7,636	8,263	285,250
Additions	-	-	1,176	-	1,176
	<u>227,051</u>	<u>42,300</u>	<u>8,812</u>	<u>8,263</u>	<u>286,426</u>
At 31 March 2022	<u>227,051</u>	<u>42,300</u>	<u>8,812</u>	<u>8,263</u>	<u>286,426</u>
DEPRECIATION					
At 1 April 2021	-	30,805	6,600	8,029	45,434
Charge for year	-	3,414	758	217	4,389
	<u>-</u>	<u>34,219</u>	<u>7,358</u>	<u>8,246</u>	<u>49,823</u>
At 31 March 2022	<u>-</u>	<u>34,219</u>	<u>7,358</u>	<u>8,246</u>	<u>49,823</u>
NET BOOK VALUE					
At 31 March 2022	<u>227,051</u>	<u>8,081</u>	<u>1,454</u>	<u>17</u>	<u>236,603</u>
At 31 March 2021	<u>227,051</u>	<u>11,495</u>	<u>1,036</u>	<u>234</u>	<u>239,816</u>

Freehold property relates entirely to the cost of the premises of Claro Enterprises and subsequent improvements.

£180,074 of the cost of the freehold property was provided by the National Lottery Fund and is restricted to the acquisition and refurbishment of the property occupied by the charity.

11. STOCKS

	2022 £	2021 £
Stocks	<u>2,015</u>	<u>1,504</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	6,236	4,723
VAT	1,204	497
	<u>7,440</u>	<u>5,220</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	5,052	1,127
Social security and other taxes	2,216	(308)
Other creditors	693	720
	<u>7,961</u>	<u>1,539</u>

14. ACCRUALS AND DEFERRED INCOME

	2022	2021
	£	£
Accruals and deferred income	5,404	3,808
Deferred government grants	4,382	8,809
	<u>9,786</u>	<u>12,617</u>

The government grant deferred income is grant payments relating to the first quarter of the year ended 31 March 2022.

	£	£
	2022	2021
Deferred income brought forward	8,809	3,387
Deferred income released in the year	(8,809)	(3,387)
Additional deferred income in the year	4,382	8,809
	<u>4,382</u>	<u>3,387</u>

15. MOVEMENT IN FUNDS

	At 1.4.21	Net movement in funds	At 31.3.22
	£	£	£
Unrestricted funds			
General fund	321,956	(2,219)	319,737
Development fund	11,817	-	11,817
	<u>333,773</u>	<u>(2,219)</u>	<u>331,554</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>513,847</u>	<u>(2,219)</u>	<u>511,628</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	177,130	(179,349)	(2,219)
Restricted funds			
Route One	8,000	(8,000)	-
TOTAL FUNDS	<u>185,130</u>	<u>(187,349)</u>	<u>(2,219)</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	255,816	66,140	321,956
Development fund	11,817	-	11,817
	<u>267,633</u>	<u>66,140</u>	<u>333,773</u>
Restricted funds			
Lottery fund	180,074	-	180,074
TOTAL FUNDS	<u>447,707</u>	<u>66,140</u>	<u>513,847</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	221,351	(155,211)	66,140
Restricted funds			
Route One	14,500	(14,500)	-
TOTAL FUNDS	<u>235,851</u>	<u>(169,711)</u>	<u>66,140</u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.20 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	255,816	63,921	319,737
Development fund	11,817	-	11,817
	<u>267,633</u>	<u>63,921</u>	<u>331,554</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>447,707</u>	<u>63,921</u>	<u>511,628</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	398,481	(334,560)	63,921
Restricted funds			
Route One	22,500	(22,500)	-
	<u>420,981</u>	<u>(357,060)</u>	<u>63,921</u>

The funds received from the National Lottery were specifically for use in the acquisition and refurbishment of the property occupied by the charity.

The development fund is designated to provide for the development of the company's aim to provide sheltered workshop facilities for the maximum number of sufferers in the future.

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

17. RESERVES POLICY

The Claro service users are vulnerable. Their health and wellbeing depends on Claro being available to support them. To ensure continuity of support the Trustees have decided that reserves not invested in fixed tangible assets should cover at least the value of two years financial support received from NYCC. This policy is subject to review annually