

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 2023
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 2023**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

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 2023. 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 2023**

OBJECTIVES AND ACTIVITIES

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 Veterans Woodcraft.
- a supportive and structured environment where beneficiaries gain genuine work experience and opportunities to socialise and gain confidence
- supported work experience to help beneficiaries access work experience, volunteering and employment in external businesses and organisations
- 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
- Development 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 and the Community Mental Health Team.
- 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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

OBJECTIVES AND ACTIVITIES

Our management and staff liaise closely with other agencies and charities 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 benefited from our services

Claro continued to expand service delivery through 2022/23 following the adjustments made during the Covid 19 Pandemic. We have provided long-term support to over 40 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. Between 20 and 30 people have been supported through this route

We continue to provide work placements for college students with additional needs, Two students engaged in work placements and several more have attended work taster sessions.

In early 2023 a survey of beneficiaries was completed. Over 80% of those attending regularly responded. In general responses were very positive and highlighted the importance of the services provided by Claro. The contribution and support from staff was highlighted. Socialising and meeting new people rated highest as a benefit from attending Claro with improved mental health and improved confidence coming a close second. Interestingly a general trend emerged indicating that although those attending value and gain great benefit from the work environment at Claro they also gain wider consequential benefit in their lives from attendance and identify the stability Claro provides as essential to their wellbeing 92% of those responding indicated that attending Claro has reduced their dependence on mental health services either very much or quite a lot.

Comments included :

"This place is great. Claro is a safety net. People here are where you feel good about yourselfhelps me to accept my mental health"

"It has helped me, very much so....a friendly place and I would not change anything. I am getting better, worried that I could be turned away when fully well...I would miss it if I could not come."

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 2023**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Our principal concern is the continued wellbeing of our service users and their development such that they can take up positions in the regular employment market. It is pleasing to report that two of Claro's supervisors were formerly service users, 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..

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 60 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 be successful in public and volunteer fundraising and is developing a successful track record in receiving grant support from charitable foundations and local businesses.

Despite the challenges caused by the pandemic and NYCC reorganisation 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 ending of Covid measures in virtually all clients have returned to the charity.

The Management Committee is very grateful for the superb efforts made by all staff with the ongoing challenges resulting from Covid and the uncertainties of future funding from NYCC.

The lower demand for our products and services remains a challenge and risk for Claro. Trading income recovered from the low point of less than £40,000 to just over £50,000 - still well short of the £75,000 which we achieved pre Covid. The ongoing impact of Covid-19 on the level of demand for services and goods and the reduced funding from NYCC therefore remain concerns. A significant contribution from reserves has been required to maintain Claro's activities for the first time in many years - this was predicted in last year's report and highlights the financial challenges faced by 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. Additional marketing support has been provided via one of the Trustees and more active engagement with local press, radio and television continues. 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 to reduce the dependence on NYCC funding

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

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 seriously 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. Trustees and management have been active in engaging with NYCC to explore future funding and this effort while not yet complete is making some progress

Claro continued to receive funding via Route One which supported the places allocated through this pathway. The funding was received from the 'Transforming Mental Health Care' programme. Claro's allocation is designed to integrate third sector organisations into mental health provision and is expected to be maintained over the next few years.

Claro received a grant from The Postcode Lottery, two grants from RB Gray Trusts and many individual donations. 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 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 staffing cost plus redundancy costs. This policy is subject to review annually.

Reserves are held in a number of bank accounts and are reviewed regularly 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 2023**

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 patient beds in Harrogate has 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.

The Route One Partnership has continued to flourish, connecting Claro with the people who need support more effectively than ever through now established referral pathways via GPs across the district and Community Mental Health Services as well as internal referrals between partner organisations. Over the next year the Partnership will trial extending the pathways to other referring organisations. It is also going to build on foundations set in place this year to take services into the rural communities in Harrogate District

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 organisational capability through development and training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation 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 2023**

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.

Claro is finalizing the appointment of two new trustees - one with deep business expertise and one with an accountancy and business background who has served with distinction in local government.

The Trustees are :

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

Mr James Atkins reelected in October 2021 - due to resign 2024

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

Mr Philip Brown appointed in May 2023 - due to resign 2026

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

Ms Victoria Oldham appointed in May 2023 - due to resign 2026

Mr Colin Reid reelected in October 2022 - due to resign 2025

Ms Pippa Robson appointed February 2022 - due to resign 2025

Office Bearers are :

Mr James Atkins was reelected as Chairman in October 2022

Mr Chris Brown was reelected as Deputy Chairman in October 2022

Mrs Susan Brown was reelected as Secretary in October 2022

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Management Committee met ten times during the year using Zoom as required to enable attendance.

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 and other staff as required

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.

Responsibilities of the Trustees

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 charity as at the balance sheet date and of its incoming resources, including income and expenditure for the financial year.

In preparing those financial statements the Trustees have :

- selected suitable accounting policies and then applied them consistently
- made judgments and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements
- prepared the financial statements on the "going concern" basis
- considered the thresholds requiring independent auditing of the accounts and have satisfied themselves that Claro Enterprises is not required by law to have its accounts independently audited but that independent examination is required.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of control - financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are required to provide reasonable assurance that the charity is operating efficiently and its assets are safeguarded against unauthorized use or disposition, that proper records are maintained and that financial information used within the charity and for publication is reliable and that the charity complies with all relevant laws and regulations.

Members of the Management Committee

Members of the Management Committee, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on the first page of this report.

As the company's directors, we certify that :

- so far as we are aware there is no relevant information of which the company's independent examiners are unaware
- we have taken all the steps we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's independent examiners are aware of that information.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Registered office

Spa Road

Starbeck

Harrogate

North Yorkshire

HG2 7JG

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

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
Philip John Brown (appointed 17/5/2023)
Victoria Kathryn Oldham (appointed 17/5/2023)

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 16 October 2023 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 2023.

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

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

16 October 2023

CLARO ENTERPRISES

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	99,126	-	99,126	128,810
Charitable activities					
Manufacturing & services	4	76,135	-	76,135	56,208
Investment income	3	890	-	890	112
Total		<u>176,151</u>	<u>-</u>	<u>176,151</u>	<u>185,130</u>
EXPENDITURE ON					
Charitable activities					
Manufacturing & services		<u>188,685</u>	<u>-</u>	<u>188,685</u>	<u>187,349</u>
NET INCOME/(EXPENDITURE)		(12,534)	-	(12,534)	(2,219)
RECONCILIATION OF FUNDS					
Total funds brought forward		331,554	180,074	511,628	513,847
TOTAL FUNDS CARRIED FORWARD		<u><u>319,020</u></u>	<u><u>180,074</u></u>	<u><u>499,094</u></u>	<u><u>511,628</u></u>

The notes form part of these financial statements

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)**BALANCE SHEET
31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	10	57,538	180,074	237,612	236,603
CURRENT ASSETS					
Stocks	11	5,524	-	5,524	2,015
Debtors	12	8,448	-	8,448	7,440
Prepayments and accrued income		3,650	-	3,650	2,648
Cash at bank and in hand		266,207	-	266,207	280,669
		<u>283,829</u>	<u>-</u>	<u>283,829</u>	<u>292,772</u>
CREDITORS					
Amounts falling due within one year	13	(4,526)	-	(4,526)	(7,961)
NET CURRENT ASSETS					
		<u>279,303</u>	<u>-</u>	<u>279,303</u>	<u>284,811</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		336,841	180,074	516,915	521,414
ACCRUALS AND DEFERRED INCOME					
	14	(17,821)	-	(17,821)	(9,786)
NET ASSETS					
		<u>319,020</u>	<u>180,074</u>	<u>499,094</u>	<u>511,628</u>
FUNDS					
Unrestricted funds	15			319,020	331,554
Restricted funds				180,074	180,074
TOTAL FUNDS					
				<u>499,094</u>	<u>511,628</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 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.

The notes form part of these financial statements

CLARO ENTERPRISES (REGISTERED NUMBER: 02450753)

BALANCE SHEET - continued
31 MARCH 2023

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 16 October 2023 and were signed on its behalf by:

James Atkins - Trustee

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

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.

CLARO ENTERPRISES**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023****2. DONATIONS AND LEGACIES**

	2023	2022
	£	£
Donations	8,965	6,178
Gift aid	1,042	-
Grants	89,119	122,632
	<u>99,126</u>	<u>128,810</u>

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

	2023	2022
	£	£
North Yorkshire County Council	58,994	113,184
Other grants	30,125	-
Route One Lottery Funding	-	8,000
Coronavirus Job Retention Scheme	-	448
NYCC Stronger Communities	-	1,000
	<u>89,119</u>	<u>122,632</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	890	112
	<u>890</u>	<u>112</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Woodworking income	Manufacturing & services	32,683	26,537
Outwork income	Manufacturing & services	23,200	13,191
Service charges	Manufacturing & services	13,276	13,635
Men/Women in sheds	Manufacturing & services	6,976	2,845
		<u>76,135</u>	<u>56,208</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

5. SUPPORT COSTS

	Governance costs £ <u>4,706</u>
Manufacturing & services	

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

	2023 Manufacturing & services £	2022 Total activities £
Independent Examiner's remuneration	1,970	1,600
Independent Examiner's remuneration for other work	<u>2,736</u>	<u>2,349</u>
	<u>4,706</u>	<u>3,949</u>

6. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Independent Examiner's remuneration	1,970	1,600
Independent Examiner's remuneration for other work	2,736	2,349
Depreciation - owned assets	<u>2,430</u>	<u>4,389</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

8. STAFF COSTS

	2023 £	2022 £
Wages and salaries	114,843	107,604
Social security costs	4,009	3,986
Other pension costs	<u>5,300</u>	<u>5,066</u>
	<u>124,152</u>	<u>116,656</u>

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

	2023	2022
Employees	<u>7</u>	<u>7</u>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

8. STAFF COSTS - continued

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 70 service users (2022: 30) and service user expenses totalled £6,596 (2022: £5,770)

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	120,810	8,000	128,810
Charitable activities			
Manufacturing & services	56,208	-	56,208
Investment income	112	-	112
Total	<u>177,130</u>	<u>8,000</u>	<u>185,130</u>
EXPENDITURE ON			
Charitable activities			
Manufacturing & services	<u>179,349</u>	<u>8,000</u>	<u>187,349</u>
NET INCOME/(EXPENDITURE)	(2,219)	-	(2,219)
RECONCILIATION OF FUNDS			
Total funds brought forward	333,773	180,074	513,847
TOTAL FUNDS CARRIED FORWARD	<u><u>331,554</u></u>	<u><u>180,074</u></u>	<u><u>511,628</u></u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2022	227,051	42,300	8,812	8,263	286,426
Additions	-	-	1,307	2,132	3,439
At 31 March 2023	<u>227,051</u>	<u>42,300</u>	<u>10,119</u>	<u>10,395</u>	<u>289,865</u>
DEPRECIATION					
At 1 April 2022	-	34,219	7,358	8,246	49,823
Charge for year	-	1,466	622	342	2,430
At 31 March 2023	<u>-</u>	<u>35,685</u>	<u>7,980</u>	<u>8,588</u>	<u>52,253</u>
NET BOOK VALUE					
At 31 March 2023	<u>227,051</u>	<u>6,615</u>	<u>2,139</u>	<u>1,807</u>	<u>237,612</u>
At 31 March 2022	<u>227,051</u>	<u>8,081</u>	<u>1,454</u>	<u>17</u>	<u>236,603</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

	2023 £	2022 £
Stocks	<u>5,524</u>	<u>2,015</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	8,229	6,236
VAT	219	1,204
	<u>8,448</u>	<u>7,440</u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	2,415	5,052
Social security and other taxes	2,071	2,216
Other creditors	40	693
	<u>4,526</u>	<u>7,961</u>

14. ACCRUALS AND DEFERRED INCOME

	2023	2022
	£	£
Accruals and deferred income	12,931	5,404
Deferred government grants	4,890	4,382
	<u>17,821</u>	<u>9,786</u>

The government grant deferred income is grant payments relating to the first quarter of the year ended 31 March 2023.

	£	£
	2023	2022
Deferred income brought forward	4,832	8,809
Deferred income released in the year	(4,832)	(8,809)
Additional deferred income in the year	4,890	4,382
	<u>4,890</u>	<u>4,382</u>

15. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	At 31.3.23
	£	£	£
Unrestricted funds			
General fund	319,737	(12,534)	307,203
Development fund	11,817	-	11,817
	<u>331,554</u>	<u>(12,534)</u>	<u>319,020</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>180,074</u>	<u>-</u>	<u>180,074</u>
TOTAL FUNDS	<u>511,628</u>	<u>(12,534)</u>	<u>499,094</u>

CLARO ENTERPRISES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

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	176,151	(188,685)	(12,534)
TOTAL FUNDS	<u>176,151</u>	<u>(188,685)</u>	<u>(12,534)</u>

Comparatives for 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
TOTAL FUNDS	<u>513,847</u>	<u>(2,219)</u>	<u>511,628</u>

Comparative 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>

CLARO ENTERPRISES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

15. MOVEMENT IN FUNDS - continued

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

	At 1.4.21 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	321,956	(14,753)	307,203
Development fund	11,817	-	11,817
	<u>333,773</u>	<u>(14,753)</u>	<u>319,020</u>
Restricted funds			
Lottery fund	180,074	-	180,074
	<u>180,074</u>	<u>-</u>	<u>180,074</u>
TOTAL FUNDS	<u>513,847</u>	<u>(14,753)</u>	<u>499,094</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	353,281	(368,034)	(14,753)
	<u>353,281</u>	<u>(368,034)</u>	<u>(14,753)</u>
TOTAL FUNDS	<u>353,281</u>	<u>(368,034)</u>	<u>(14,753)</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 2023.