

back on track >

BACK ON TRACK MANCHESTER LTD.

(COMPANY LIMITED BY GUARANTEE)

COMPANY REGISTRATION NUMBER: 2735484 (England)

CHARITY REGISTRATION NUMBER: 1017467

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

**BACK ON TRACK MANCHESTER LTD.
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
REGISTERED IN ENGLAND NO: 2735484**

A REGISTERED CHARITY NO: 1017467

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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Back on Track Manchester Limited

Report of the trustees for the year ending 31ST March 2021

The trustees present their annual directors' report and financial statements of the charity for the year ended 31st March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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) (January 2019).

Reference and administrative information

Charity Name: Back on Track Manchester Limited

Charity Number: 1017467

Company No: 2735484 Incorporated in England, UK

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Chair: Gary Cripps

Vice Chair: Susan Jenkins

Treasurer: Amanda Paterson (appointed 26.7.2021)

Mark Stapleton (former treasurer)

Lyndsey Forrest

Julie Taylor

Kevin Wong

Judy Harrison (appointed 4.9.2020)

Malcolm Bruce (resigned 2.8.2021)

Emma Harrison (resigned 15.11.2021)

Company Secretaries: Adam Barker

Beth Maguire

Senior Manager: Siobhan Pollitt (Chief Executive Officer)

Patrons

Mary-Ellen McTague

Mike Joyce

Tony Walsh

Registered Office

Swan Buildings, 20 Swan Street, Manchester, M4 5JW

Accountants

Community Accountancy Service Limited

The Grange, Pilgrim Drive

Beswick, Manchester M11 3TQ

Auditors

McKellens Chartered Accountants

11 Riverview, The Embankment Business Park

Vale Road, Heaton Mersey

Stockport, SK4 3GN

Bankers

Cooperative Bank plc, 1 Balloon Street, Manchester, M60 4EP

Aldermore, 40 Spring Gardens, Manchester M2 1EN

Redwood Bank, The Nexus Building, Broadway, Letchworth Garden City, Hertfordshire, SG6 3TA

Back on Track Manchester Limited

Objectives and activities

Our mission is to enable adults facing disadvantage to make lasting, positive changes in their lives, such as: managing problematic drug/alcohol use, living a crime-free life, improving mental health and wellbeing, and having a stable home.

Our values are to build on people's strengths and treat everyone with kindness, respect, and fairness. To be professional and effective, collaborate with others, welcome new ideas, and promote a balanced and supportive work life.

Our vision is a Greater Manchester where inequalities are reduced and social justice is realised. Where people lead fulfilling lives, communities are safe, and all voices are heard. Where everyone can get the support, skills, and experience they need to imagine a better future for themselves and then make it happen.

We aim to achieve this by:

- **Providing a place:** Our centre in Manchester is a safe, friendly community where people feel they belong and can make new connections. It's a place where rehabilitation and recovery is supported, where change is sustained, and where health and wellbeing are a priority.
- **Empowerment:** Our courses, activities, work experience, and volunteering programme enable people to learn and build their confidence and skills at a pace that's right for them. We use creative engagement and outreach approaches which are co-produced with our learners. People support each other and are empowered to build on their strengths, believe in themselves, and celebrate and take pride in what they achieve.
- **Self-determination:** We create an environment where people can get the right support and guidance to make choices about what kind of future they want. It could be paid work, volunteering, or further training, or about living in a healthier and more fulfilling way.
- **Campaigning and influencing:** We bring about positive change by influencing the public, organisations, and policymakers. We work with employers to ensure that everybody gets a fair chance, regardless of their past. We are committed to challenging discrimination and promoting positive perceptions of people with complex needs.

"When I met my worker, she made me feel so much better about myself straight away. She was the first person to believe in me. I've come a million miles and it's down to Back on Track. It's a place to go to if you're lost" – Back on Track learner

Our services

We have an exciting and varied timetable of courses and activities on offer throughout the year. Wherever possible, this is co-produced with our learners, and we also run women-only sessions. As well as providing a positive space and community, our main services are:

- Functional skills development (e.g. English, maths, digital)
- Life skills sessions that promote independence (e.g. budgeting, cooking)
- Pre-employment skills (e.g. CV writing, confidence, disclosure of convictions)
- Health and wellbeing activities (e.g. creative groups, outdoor activities, museum trips)
- Citizenship and social inclusion (e.g. women's group, rights and responsibilities, user voice)
- One-to-one progression guidance (volunteering programme, holistic support, signposting)
- Specialist advice for people with the full range of convictions

Back on Track Manchester Limited

Everyone's time at Back on Track is different and we are led by each person's individual needs and interests. Some people access a specific area of our services for a short period of time whilst others remain part of the Back on Track community for longer, progressing through our full programme.

We support people through a variety of progression routes too; some people develop through our internal and external volunteering programme, others may want to access further learning with external providers, and some people move into paid employment.

We are able to deliver high-quality and engaging services because of our fantastic team of passionate and experienced staff, our 50+ dedicated volunteers, and a highly skilled group of sessional tutors.

"People think they're on their own but when you realise you're not the only one you think 'wow, now I get it'. When people come to Back on Track it helps a lot. You don't feel so isolated and step by step you build yourself up and you help somebody else along the way too..." – Back on Track learner

Staff and learner involvement (co-production)

An important part of our approach is working closely with our colleagues and with the people who come to Back on Track to shape and improve our services and to influence wider change. We strive to implement this at all levels of the organisation and undertook co-design sessions to develop our 2021-24 Strategic Plan. People who use our services take part in staff recruitment and are equal parts of task groups with our trustees, staff, and volunteers. We also support people to design and deliver learning sessions and undertake work experience with different Back on Track teams.

We actively encourage people who have lived experience of multiple disadvantage to apply for volunteering and employment opportunities within our organisation. We champion fair recruitment practices and are proud that 37% of our staff team and 51% of our volunteers have lived experience of multiple disadvantage.

Public Benefit

The charity furthers its charitable purposes for the public benefit by enabling adults facing disadvantage to have better life chances by participating in training, work experience, and volunteering. By engaging with Back on Track learning (e.g. English, maths, digital skills) and volunteering (e.g. customer service, catering skills), people gain in confidence, self-esteem, and find a new purpose. These changes result in personal, social, and economic benefits to communities, statutory services, and the city and region as a whole through:

- improved mental and physical health
- managing or ceasing problematic drug and alcohol use
- desistance from crime – creating a new, crime-free identity
- developing resilience which enables people to cope with setbacks and sustain employment
- contributing to the community resulting in a sense of belonging and citizenship

We have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Back on Track Manchester Limited

Structure, governance, and management

Back on Track Manchester Limited is a company limited by guarantee governed by its Articles of Association (updated in December 2019). It was registered as a charity with the Charity Commission on 18 February 1993. In the event of a winding up, members have agreed to contribute a sum not exceeding £1. The Board agrees pay and remuneration of key management personnel with reference to NJC local authority pay scales. Salaries are reviewed annually by the Board.

Swan Kitchens Community Interest Company is our catering social enterprise. It was established in December 2019 and is a wholly-owned subsidiary of Back on Track. The company has three directors: the chief executive; a services manager of Back on Track; and a trustee of Back on Track. Due to the impact of Covid-19 on workplaces and corporate events, Swan Kitchens ceased trading on 30th September 2021.

Appointment of trustees: The directors/trustees are appointed following a process of recruitment and application set out by the Board of Trustees. The directors/trustees also have the power under the governing document to co-opt individuals who support the aims of the organisation.

Trustee induction and training: As part of their induction, the new directors/trustees are provided with information about the charity, the management structure, its history, and working practices. In addition they are provided with extracts of the Articles of Association plus information from the Charity Commission and Companies House regarding the duties and responsibilities of directors and trustees. Training appropriate to the individual needs of the trustees is carried out.

Organisation: Governance of the organisation lies with the Board of Trustees. The Board meets quarterly in addition to the AGM. These meetings include the directors/trustees and the Chief Executive Officer. During the meetings the progress of the past three months is assessed and considered against the targets and aims. The current status of the planned work is considered and discussed. Future aims and ambitions are considered in conjunction with the on-going programme. Any discussion papers circulated before the meeting will be discussed and considered. The Board meets regularly with the Back on Track senior management team to review, discuss and, agree the strategic direction of the organisation.

Day-to-day management is the responsibility of the Chief Executive Officer, who reports to the Board of Trustees and is assisted by the senior management team and project staff.

Risk Management: The directors/trustees have assessed the risks to which the charity is exposed, in terms of both financial and operational risk, in carrying out its objectives and are satisfied that the systems are in place to mitigate exposure to major risk. The strategic risk register is considered and updated by the board on a quarterly basis or more often if responding to emerging risks such as Covid-19. Workplace risk assessments have been carried out for all operational processes.

Related parties and co-operation with other organisations: None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager with any service providers must be disclosed to the full Board in the same way as any other contractual relationship with a related party.

A review of our achievements and performance

As has been the same for all organisations, Covid-19 created new challenges. Crises often amplify existing inequalities, and the lockdown periods have been especially hard for the majority of people who usually come to our centre.

Back on Track Manchester Limited

Our Back on Track sense of community remained strong throughout the lockdowns. We are proud of how we've been able to adapt our services and projects throughout this period.

Emergency response (March – July 2020): For the first time in our 44-year history, we had to completely close our doors in March 2020. Our immediate focus was to find ways to continue providing our services and to set up our colleagues and systems for remote working.

We provided over 1,000 weekly support calls to our learners in the first three months and continued this support until March 2021. In the early stages, a lot of the support we gave was around practical needs and responding to crisis situations – for example arranging people's medicine. This is not usually our core service, but as other services were still moving online, we found ourselves (as was the same for many other charities) delivering in new spaces.

Providing food for people who were rough sleeping: In the first three months of lockdown, we also provided food to people who were given hotel accommodation as part of the 'Everyone In' policy that rehoused people who were sleeping rough in Manchester. This was done through Swan Kitchens (our catering social enterprise). In total, we created and delivered over 2,500 meals.

Developing our remote offer: We quickly developed ways of moving our education and wellbeing support online and have continued to improve our remote and blended-learning offers throughout the different lockdowns. We also sent technology, arts, and other learning supplies to people who needed them and have stayed connected through virtual group projects.

Wellbeing newsletter: We created a fortnightly newsletter to keep in touch with everyone, send information, and give tips around personal wellbeing. Over the months, it evolved into a co-produced regular publication enabling a group of learners to build their writing, editorial, and design skills.

Digital inclusion: Many of our learners were digitally excluded, adding to the extreme isolation of lockdown. During the pandemic, we have given out over 50 tablets with data sim-cards to people who were identified as being high need. Everyone who was given a device was also supported to learn how to use it. Digital inclusion is one of our key priorities for the coming year.

Partial re-openings: Throughout the pandemic we have stayed committed to reopening the centre as soon as it was safe for us to do so and in line with government guidelines. We implemented many new safety measures and were able to partially reopen for a period during summer and during autumn of 2020 and then fully reopen from March 2021.

Swan Kitchens ethical hampers: Covid-19 had the biggest and most immediate impact on our social enterprise, Swan Kitchens, as all group or event catering was cancelled. The team quickly explored different income-generating ideas and created a range of ethical Christmas hampers which were launched in December 2020. Over 100 hampers were distributed in time for Christmas which helped to raise some much needed funds for Swan Kitchens.

Seeing the positives: At an online staff away day, we asked everyone to reflect on the positives that had come out of the pandemic. Here are some of the responses:

- We maintained focus and commitment to the needs of people who use our services
- We've shown our resilience, strength and adaptability
- Our approach has been creative and we've looked at learning in a new way
- We managed to keep a community feeling and engagement throughout
- We've developed new partnerships and collaborations
- We brought a stronger wellbeing focus through all of our offers

Back on Track Manchester Limited

- We have still achieved project and contract outcomes in a difficult context
- We held an online fundraiser with our patron, Mike Joyce, and it was very successful!

The directors wish to extend thanks to the staff of Back on Track for their work over the past year and to the many volunteers who contribute a great deal to all the services. Thanks are also due to colleagues in many other agencies who have worked in partnership with Back on Track to adapt services and meet the needs of people experiencing new and increased challenges through the pandemic.

“Back on Track is a place where people are celebrated with all their unique gifts and talents and personalities, so that’s how I’d sum it up.” – Back on Track learner

Financial review

Total income in the year was £905,104 (2020 £926,943) and total expenditure was £828,800 (2020 £906,351) leaving a surplus of £76,304. Unrestricted funds at the year-end were £258,324 and restricted funds totalled £53,741.

Back on Track’s finances were supported by Job Retention Scheme payments (where funding allowed and work had ceased or reduced) and local authority Covid-relief grants.

Major funding streams include Inspiring Change Manchester, Community Learning Fund, Achieve North West, and Big Lottery Reaching Communities. Our funders have been supportive, and we were able to negotiate variations to contract and grant funding to maintain income and deliver outcomes throughout Covid restrictions. Enterprise activity mainly ceased and has not yet recovered from the impact of the pandemic.

Diverse income streams, positive relationships with grant and contract commissioners, and effective scrutiny of finances through monthly finance reports and regular finance committee meetings, combined with good access to information from funders and policy makers provide additional controls to manage risk. The trustees’ ongoing financial strategy is to raise a small surplus each year to help build the level of free reserves for the charity. The main financial risks to the charity are:

- significant change in national or local policy resulting in reduced income
- uncertainty as a result of the short and the longer-term impact of the Covid-19 pandemic

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged against the income and expenditure account. The pension scheme is an auto enrolment compliant scheme. The charity has no liabilities beyond making its contributions and paying across the deductions for the employee's contributions.

Investment powers and policy

Under the Articles of Association the charity has the power to invest in any way the trustees wish. The trustees, having regard to the liquidity requirements of the charity and to the reserves policy, have operated a policy of keeping available funds not in day-to-day use in interest-bearing deposit accounts.

Back on Track Manchester Limited

Reserves policy and going concern

The total funds held at the year-end were £312,068, of which £53,741 were restricted funds. The charity currently has £258,327 in unrestricted reserves of which £228,706 are free reserves. It is the aspiration of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level which equates to at least three months operating costs, i.e. £207,000 (core costs £145,000). This would provide sufficient funds to allow the charity to react to changes in income in a constructive manner. We continue to seek to improve our financial position in order to designate and maintain this level of unrestricted reserves.

Plans for future periods

The directors are working to the three-year Strategic Plan 2021-24. We will continue to work with frontline services for adults with convictions and for those who are homeless or in recovery from mental health issues or problematic drug and alcohol use. We will continue to innovate in our education, training, and volunteering centre, ensuring that people who use our services influence their development and the direction of the organisation. The Strategic Plan identifies five specific areas of focus for the coming three years:

Enhanced learning

- Ensure that all learners have the resources and support they need to develop their English, maths and digital skills
- More proactively embed principles of pro-social models (such as the Good Lives Rehabilitation Model and Desistance Theory) throughout our timetable
- Further our approach to using creative learning to celebrate diversity and support wellbeing

Influencing

- Progress our role in the GM Good Employment Charter and the fair recruitment movement
- Develop a full training offer for other organisations to raise awareness
- Advocate for the positive role of learning as an early intervention and of volunteering as a destination as well as a route into work

Co-production

- Bring new emphasis to co-production as a way of working across all parts of the organisation
- Have more people who have experienced disadvantage in senior and decision-making roles
- Support a more diverse group of learners to participate in co-design activities

Environmental sustainability

- Advance and embed sustainability practices in our centre, our timetabled groups, and funded projects
- Support people to access green economy training and jobs
- Develop creative, holistic programmes so that people can connect to nature

Partnerships

- Deepen our existing partnerships and explore new opportunities for collaboration
- Develop more partnerships to connect people to progression opportunities in growth sectors
- Create more partnerships to reach people across GM who could benefit from our services

Back on Track will pursue its long-term strategy to broaden the funding base and build a stronger reserve of unrestricted funds for future sustainability.

"I have never been to a place like it before, everyone is so friendly and helpful, not just to me but to everyone, it's like a big family. I really enjoy it, meeting new people and making friends, there have been so many laughs on the way, everyone here is amazing. They have all nurtured my needs and just kept me safe on the way and they have certainly put me BACK ON MY TRACK!" – Back on Track learner

Trustees' responsibilities in relation to the financial statements

The charity's trustees (who are also the directors of Back on Track Manchester Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity's trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting principles and then apply them consistently
- Observe the methods and principles in the applicable Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

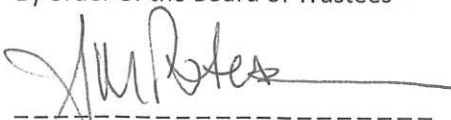
Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution will be proposed at the Annual General Meeting to reappoint the auditors, McKellens Chartered Accountants and Registered Auditor.

By order of the Board of Trustees



Treasurer: Amanda Paterson

Date: 08/12/ 2021

Back on Track Manchester Limited**Independent Auditor's Report to the Members of Back on Track Manchester Limited****Opinion**

We have audited the financial statements of Back on Track Manchester Limited (the 'company') for the year ended 31 March 2021, which comprise the Statement of Financial Activity, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards comprising Charities SORP – FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Back on Track Manchester Limited

Independent Auditor's Report to the Members of Back on Track Manchester Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' Remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 8], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Back on Track Manchester Limited

Independent Auditor's Report to the Members of Back on Track Manchester Limited

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, the Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- that identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify and unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates set were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Back on Track Manchester Limited

Independent Auditor's Report to the Members of Back on Track Manchester Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Paul Roper (Senior Statutory Auditor)
McKellens Ltd
11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport
SK4 3GN

8 December 2021

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)
CO. REG. NO. 2735484

BALANCE SHEET AS AT 31 MARCH 2021

	NOTES	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	13		82,326		79,084
CURRENT ASSETS					
Stock	14	200		200	
Debtors & Prepayments	15	89,944		38,316	
Cash at Bank and in Hand		347,591		211,110	
		<u>437,735</u>		<u>249,626</u>	
CREDITORS:					
Amounts falling due within one year	16	(207,993)		(92,946)	
		<u>(207,993)</u>		<u>(92,946)</u>	
NET CURRENT ASSETS			229,742	156,680	
TOTAL NET ASSETS			<u>312,068</u>	<u>235,764</u>	
ACCUMULATED RESERVES					
Unrestricted Funds	18		258,327		187,966
Restricted Funds	19		53,741		47,798
			<u>312,068</u>		<u>235,764</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, and the Financial Reporting Standard 102.

Approved on behalf of the board of trustee/directors:



Director: M. Stapleton



Director:

Date: 6/12/2021

The notes on pages 16 to 27 form part of these accounts.

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM:					
Donations & Legacies	3	57,208	-	57,208	69,255
Charitable Activities	4	293,275	526,769	820,044	759,208
Other Trading Activities	5	25,098	-	25,098	96,114
Investment Income	6	759	-	759	987
Other Income	7	1,995	-	1,995	1,400
TOTAL INCOMING RESOURCES		378,335	526,769	905,104	926,964
EXPENDITURE ON					
Raising Funds	8	25,334	-	25,334	85,877
Charitable activities	9	282,640	520,826	803,466	820,474
TOTAL		307,974	520,826	828,800	906,351
NET INCOME (EXPENDITURE)		70,361	5,943	76,304	20,613
Transfers between funds	18	-	-	-	-
NET MOVEMENT IN FUNDS		70,361	5,943	76,304	20,613
RECONCILIATION OF FUNDS					
Total funds brought forward		187,966	47,798	235,764	215,151
TOTAL FUNDS CARRIED FORWARD	18	258,327	53,741	312,068	235,764

The statement of financial activities includes all gains and losses in the year.

The notes on pages 16 to 27 form part of these accounts.

BACK ON TRACK MANCHESTER LTD.
 (COMPANY LIMITED BY GUARANTEE)
 CO. REG. NO. 2735484

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31ST MARCH 2021

Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	76,304	20,613
Add back depreciation	23,344	20,166
Deduct investment income	(759)	(987)
Decrease/(increase) in stock	-	300
Decrease/(increase) in debtors	(51,628)	21,271
Increase/(decrease) in creditors	115,047	(23,533)
Net cash used in operating activities	<u>162,308</u>	<u>37,830</u>
Cash flows from investment activities:		
Interest	759	987
Purchase of fixed assets	(26,586)	(34,410)
Net cash provided by investing activities	<u>(25,827)</u>	<u>(33,423)</u>
Increase/(decrease) in cash and cash equivalents during the year	136,481	4,407
Cash and cash equivalents brought forward	211,110	206,703
Cash and cash equivalents carried forward	<u><u>347,591</u></u>	<u><u>211,110</u></u>

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes 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 (FRS 102) issued January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011, and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Projections for 2021/22 show that the charity need to secure £98,796 of funding from new sources to breakeven at current operational levels without resorting to using reserves.

(b) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

When the requirements of the restricted funds are met (eg assets are purchased) the transaction is shown as a movement in funds from restricted to unrestricted funds.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

The charity has created a designated capital fund to meet the future depreciation charge of its assets. Further details of each fund are disclosed in note 18.

(c) Income recognition

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

Donations and grants are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Grants received for future periods are deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

(d) Expenditure Recognition

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 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. For more information on this attribution refer to note (g) below.

**BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(e) Taxation & Irrecoverable VAT

All grant income and donations are outside the scope of VAT. Contract fees and certain other income are exempt supplies and therefore the company is not liable to be registered for VAT. Irrecoverable VAT on expenditure is attributed to the category of expenditure on which it is incurred. No provision has been made for taxation as exemption has been granted by HMRC from taxation under Sections 466 to 493 of the Corporation Taxes Act 2010 or Section 256 of the Taxation of Capital Gains Act to the extent that surpluses and gains are applied for charitable purposes.

(f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examination and legal and professional fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned based on staff time and the usage of facilities and services for management purposes. The allocation of support and governance costs is analysed in note 10.

(g) Costs of raising funds

The costs of raising funds consists of staffing, cost of sales and overheads for delivery of training, and running the non-funded element of the café and premises costs attributed to use by the subsidiary.

(h) Charitable Activities

Costs of charitable activities include governance costs and an apportionment of support costs as shown in note 9.

(i) Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and valued at historical cost. Depreciation is charged on the following basis:

Leasehold Improvements	10% on cost
Plant & Equipment	25% on cost

The total of any capital grants are recognised in the Statement of Financial Activities in the year they are received, as required by the SORP, and not deferred over the life of the related assets.

(j) Stock

Stock is stated at the lower of cost and net realisable value on a first in first out basis.

(k) Debtors

Trade and other debtors are recognised at settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(l) Creditors and Provisions

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount after allowing for any trade discounts due.

(m) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their varying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(n) Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged against the income and expenditure account.

The pension scheme is an auto enrolment compliant scheme. The charity has no liabilities beyond making its contributions and paying across the deductions for the employee's contributions.

(o) Operating Leases

Payments under operating leases are charged to the income and expenditure account in the period to which they relate.

(p) Contingent liabilities

There were no contingent liabilities at 31st March 2021 (2020 none).

(q) Donated Services

The charity has on average 40 volunteers at any one time assisting with reception, administration, café and classrooms. No financial value has been reflected in the accounts for these donated services.

(r) Redundancy and termination payments

The charity recognises redundancy and termination payments when their existence is reasonably certain.

2 NET INCOMING RESOURCES FOR THE YEAR

	2021	2020
	£	£
This is stated after charging:		
Depreciation	23,344	20,166
Audit Fees	3,880	3,600
	<u>27,224</u>	<u>23,766</u>

3 DONATIONS & LEGACIES

	Unrestricted	Restricted	Total 2021
	£	£	£
Donations & Gift Aid	26,058	-	26,058
The Robert McAlpine Foundation	10,000	-	10,000
Mike Joyce	21,150	-	21,150
	<u>57,208</u>	<u>-</u>	<u>57,208</u>

Previous Year

	Unrestricted	Restricted	Total 2020
	£	£	£
Donations & Gift Aid	32,987	-	32,987
The Robert McAlpine Foundation	10,000	-	10,000
Zochonis Charitable Trust	6,000	-	6,000
The Co-operative (CAF)	7,418	-	7,418
Peter Cruddas Foundation	5,000	-	5,000
CEO Sleepout Donations	7,850	-	7,850
	<u>69,255</u>	<u>-</u>	<u>69,255</u>

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4 INCOME FROM CHARITABLE ACTIVITIES	Unrestricted	Restricted	Total 2021
	£	£	£
Manchester Adult Education Service NLDC	162,714	-	162,714
HMRC CJRS	-	105,931	105,931
Lloyds Bank Foundation	-	25,000	25,000
North West Probation Trusts - ESF/NOMS	46,041	-	46,041
Achieve Development Fund	-	71,167	71,167
Our Manchester	20,000	-	20,000
Tudor Trust (€10,417 released)	-	10,417	10,417
Big Lottery Reaching Communities (€12,773 released, €22,652 deferred)	-	125,362	125,362
Inspiring Change Manchester - Big Lottery	-	77,617	77,617
The Grand Trust (€17,160 released, €55,000 deferred)	-	17,160	17,160
Woodland Futures (Community Forest)	-	771	771
The Albert Gubay Charitable Foundation (€10,186 def'd)	-	19,814	19,814
Charities Aid Foundation	10,000	-	10,000
WEA	-	26,530	26,530
MCC Work Club	-	7,000	7,000
Gr. Manchester Combined Authorities	-	40,000	40,000
Newby Trust	15,000	-	15,000
Edward Holt Trust	7,220	-	7,220
Edward Gostling Foundation	5,000	-	5,000
Evans Cornish Foundation	5,000	-	5,000
Lord Mayors Fund (€6,500 released)	6,500	-	6,500
Manchester City Council Discretionary Fund	10,000	-	10,000
Other grants under €5,000	5,800	-	5,800
	<u>293,275</u>	<u>526,769</u>	<u>820,044</u>
INCOME FROM CHARITABLE ACTIVITIES	Unrestricted	Restricted	Total 2020
	£	£	£
Manchester Adult Education Service NLDC	160,699	-	160,699
Esmee Fairbairn Foundation	-	13,333	13,333
Lloyds Bank Foundation	-	25,000	25,000
North West Probation Trusts - ESF/NOMS	49,762	-	49,762
Achieve Development Fund	-	90,274	90,274
Our Manchester	20,000	-	20,000
Tudor Trust (€10,417 deferred)	-	25,000	25,000
Big Lottery Reaching Comms. (€12,773 deferred)	-	154,218	154,218
Inspiring Change Manchester - Big Lottery	-	78,549	78,549
The Grand Trust (€17,160 deferred)	-	60,893	60,893
Woodland Futures (Community Forest)	-	5,184	5,184
The Albert Gubay Charitable Foundation	-	30,000	30,000
Peter Kershaw Trust	3,000	-	3,000
WEA	-	11,658	11,658
MCC Work Club	-	6,000	6,000
Tesco (€1,928 deferred)	-	2,892	2,892
Newby Trust	10,000	-	10,000
CRH Charitable Trust	-	5,000	5,000
John Lewis (€5,866 released)	-	5,766	5,766
Other grants under €5,000	1,980	-	1,980
	<u>245,441</u>	<u>513,767</u>	<u>759,208</u>

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Café	1,734		1,734	22,875		22,875
Catering Services	-		-	69,950		69,950
Room Hire	-		-	2,689		2,689
Staff Secondment	4,559		4,559	-		-
Subsidiary:						
Room Hire	6,225		6,225	600		600
Management Charge	8,475		8,475	-		-
Web Design	4,000		4,000	-		-
Use of Vehicle	105		105	-		-
	<u>25,098</u>	<u>-</u>	<u>25,098</u>	<u>96,114</u>	<u>-</u>	<u>96,114</u>

6 INVESTMENT RECEIVABLE

	2021 £	2020 £
Bank Interest Receivable	<u>759</u>	<u>987</u>

7 OTHER INCOME

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Student Placements	1,830	-	1,830	1,400	-	1,400
Miscellaneous	165	-	165	-	-	-
	<u>1,995</u>	<u>-</u>	<u>1,995</u>	<u>1,400</u>	<u>-</u>	<u>1,400</u>

8 EXPENDITURE ON RAISING FUNDS

	Core £	Café & Catering Skills £	Total 2021 £	Total 2020 £
Wages & Salaries	15,876	-	15,876	42,705
Café & catering stock costs	-	1,237	1,237	29,192
Rent & Service Charge	5,235	900	6,135	-
Heat & Light	-	-	-	4,165
Cleaning Materials	-	310	310	1,392
Repairs & Renewals	-	72	72	340
Depreciation	-	47	47	47
Course Materials & Events	-	-	-	256
Support Costs	-	61	61	1,184
Market Stall Fees	-	19	19	335
Bad Debts	-	18	18	-
Fundraising Costs	256	-	256	216
Staff Travel	-	-	-	539
Training	-	-	-	149
Service User Travel	-	-	-	3,141
Vehicle Costs	-	1,207	1,207	2,202
Volunteer Costs	-	96	96	14
	<u>21,367</u>	<u>3,967</u>	<u>25,334</u>	<u>85,877</u>
Restricted			-	-
Unrestricted			<u>25,334</u>	<u>85,877</u>
Total			<u>25,334</u>	<u>85,877</u>

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9 EXPENDITURE ON CHARITABLE ACTIVITIES

		Café & Catering Skills	Education & Training	Total 2021
		£	£	£
Employment Costs	Staff Time	40,183	536,850	577,033
Vaccinations	Staff Time		142	142
External Staffing	Staff Time		1,845	1,845
Rent & Service Charge	Floor Area		55,222	55,222
Storage	Floor Area		1,249	1,249
Rates & Water	Floor Area		147	147
Light & Heat	Floor Area		11,699	11,699
Repairs & Renewals	Floor Area		1,817	1,817
Cleaning	Floor Area		3,950	3,950
Telephone	By Project		5,006	5,006
Travelling Expenses	By Project		237	237
Volunteer Expenses	By Project		1,172	1,172
Student Expenses	By Project		1,851	1,851
Training	By Project		595	595
Covid Response - food and catering	By Project	1,010		1,010
Course Materials & Accreditation Costs	By Project		5,481	5,481
Training Room Hire	By Project		5,780	5,780
Service User Welfare	By Project		13,715	13,715
Canteen Expenses	By Project		21	21
Vehicle Expenses	By Project		294	294
Support Costs			103,786	103,786
Governance Costs			11,414	11,414
		41,193	762,273	803,466
Restricted		41,193	479,633	520,826
Unrestricted		-	282,640	282,640
Total		41,193	762,273	803,466
Previous Year				Total 2020
		£	£	£
Employment Costs	Staff Time	25,000	547,118	572,118
Recruitment	Staff Time		595	595
External Staffing	Staff Time		870	870
Rent & Service Charge	Floor Area		66,184	66,184
Rates & Water	Floor Area		3,087	3,087
Light & Heat	Floor Area		13,690	13,690
Repairs & Renewals	Floor Area		3,568	3,568
Cleaning	Floor Area		1,501	1,501
Telephone	By Project		5,412	5,412
Travelling Expenses	By Project		1,347	1,347
Volunteer Expenses	By Project		9,837	9,837
Student Expenses	By Project		16,584	16,584
Training	By Project		2,527	2,527
Course Materials & Accreditation Costs	By Project		12,412	12,412
Service User Welfare	By Project		2,550	2,550
Canteen Expenses	By Project		479	479
Vehicle Expenses	By Project		834	834
Hosting Events	By Project		110	110
Support Costs			95,851	95,851
Governance Costs			10,918	10,918
		25,000	795,474	820,474
Restricted		25,000	471,300	496,300
Unrestricted		-	324,174	324,174
Total		25,000	795,474	820,474

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

		Support Costs	Governance Costs	Total 2021
		£	£	£
Management & Admin Salaries	Staff Time	49,238	5,473	54,711
Computer Costs	Direct	12,859		12,859
Subscriptions	Direct	290		290
Minor Equipment	Direct	2,771		2,771
Printing, Post and Stationery	Direct	5,586		5,586
Book-keeping	Direct	4,116		4,116
Payroll Costs	Direct	2,816		2,816
Legal & Professional Fees	Direct	13		13
HR Costs	Direct	346		346
Insurance	Direct	1,838		1,838
Sundry	Direct	616		616
Depreciation	Direct	23,297		23,297
Audit & Accountancy	Governance		5,070	5,070
Bank Charges & Interest	Governance		871	871
TOTAL		103,786	11,414	115,200
Restricted Funds		68,838	5,546	90,359
Unrestricted Funds		34,948	5,868	24,841
Total		103,786	11,414	115,200

		Support Costs	Governance Costs	Total 2020
		£	£	£
Management & Admin Salaries	Staff Time	49,259	5,473	54,732
Computer Costs	Direct	8,534		8,534
Subscriptions	Direct	553		553
Minor Equipment	Direct	1,112		1,112
Printing, Post and Stationery	Direct	4,955		4,955
Book-keeping	Direct	3,732		3,732
Payroll Costs	Direct	2,370		2,370
Legal & Professional Fees	Direct	1,800		1,800
HR Costs	Direct	307		307
Insurance	Direct	2,417		2,417
Sundry	Direct	693		693
Depreciation	Direct	20,119		20,119
Audit & Accountancy	Governance		4,679	4,679
Bank Charges & Interest	Governance		766	766
TOTAL		95,851	10,918	106,769
Restricted		75,302	6,626	81,928
Unrestricted		20,549	4,292	24,841
Total		95,851	10,918	106,769

Included within audit and accountancy costs is £3,880 (2020: £3,750) relating to the audit of the charity's accounts. No other fees are payable to the auditors.

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11 STAFF COSTS		2021	2020
		£	£
Wages and Salaries		592,418	590,775
Social Security Costs		21,213	48,166
Redundancy Costs		2,967	-
Pension Costs		31,022	30,614
		<u>647,620</u>	<u>669,555</u>

No employee earned £60,000 per annum or more.

Neither the Chair nor any other directors received any remuneration for their services or pension contribution during the year.

The charity considers its key staff comprises the Chief Executive and the two Service Managers.

The remuneration, including pension contributions, of key staff in the year was £109,813 (2020 £107,253).

The average number of employees during the year, excluding directors and voluntary staff

was:

Management, Teaching & Administration	<u>29</u>	<u>29</u>
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12 TRUSTEES' REMUNERATION AND EXPENSES

No remuneration has been paid or is due to be paid to any of the directors in respect of the period. No reimbursement of expenses has been made or is due to be made to any of the directors in respect of the period.

13 FIXED ASSETS		Leasehold	Plant &	Total
		Improvements	Equipment	Total
		£	£	£
COST				
At 1 April 2020		139,140	57,022	196,162
Additions		14,030	12,556	26,586
Disposals				-
At 31 March 2021		<u>153,170</u>	<u>69,578</u>	<u>222,748</u>
DEPRECIATION		£	£	£
At 1 April 2020		78,181	38,897	117,078
Provided in the year		12,306	11,038	23,344
Disposals				-
At 31 March 2021		<u>90,487</u>	<u>49,935</u>	<u>140,422</u>
NET BOOK VALUE				
At 31 March 2021		<u>62,683</u>	<u>19,643</u>	<u>82,326</u>
At 31 March 2020		<u>60,959</u>	<u>18,125</u>	<u>79,084</u>

14 STOCK		2021	2020
		£	£
At lower of cost and net realisable value		<u>200</u>	<u>200</u>

15 DEBTORS & PREPAYMENTS		2021	2020
		£	£
Trade Debtors		4,788	33,558
Amounts due from Group Undertakings		20,011	-
Accrued Income		27,751	1,838
Prepayments		37,394	2,920
		<u>89,944</u>	<u>38,316</u>
Restricted		23,611	4,606
Unrestricted		66,333	33,710
		<u>89,944</u>	<u>38,316</u>

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2021	2020		
		£	£		
Trade Creditors		23,118	3,569		
Social Security and Other Taxes		13,166	13,258		
Amounts Owing to Group Undertakings		-	7,534		
Accruals		12,561	10,014		
Deferred Income		159,148	58,571		
		<u>207,993</u>	<u>92,946</u>		
Restricted		156,147	58,726		
Unrestricted		51,846	34,220		
		<u>207,993</u>	<u>92,946</u>		
17 DEFERRED INCOME					
Deferred income comprises grants in advance.					
		2021	2020		
		£	£		
Balance as at 1st April		58,571	84,369		
Amount released to income earned from charitable activities		(55,803)	(84,369)		
Amount deferred in year		156,380	58,571		
Balance at 31st March		<u>159,148</u>	<u>58,571</u>		
18 ANALYSIS OF CHARITABLE FUNDS					
	Balance at	Incoming	Transfers	Outgoing	Balance at
	01-Apr-20				31-Mar-21
	£	£	£	£	£
Restricted Revenue:					
Lloyds Bank Foundation	-	25,000		(25,000)	-
Inspiring Change Mcr - Big Lottery FL	-	69,700		(69,700)	-
Inspiring Change Mcr - Flexible Fund	-	7,917		(7,917)	-
Big Lottery - Reaching Communities	-	125,361		(125,361)	-
Gr.Manchester Combined Authorities	-	40,000	(22,044)	(17,956)	-
Grand Trust	-	17,160		(17,160)	-
Achieve Development Fund	3,617	71,167		(73,719)	1,065
Tudor Trust	-	10,417		(10,417)	-
CRH Charitable Trust	4,189	-		(4,189)	-
The Albert Gubay Charitable Foundation	-	19,814		(19,814)	-
Woodland Futures (Community Forest)	(347)	771		(424)	-
WEA	(394)	26,531		(26,137)	-
MCC- Work Club	-	7,000		(7,000)	-
HMRC CJRS	-	105,931		(105,931)	-
Capital:					
Inspiring Change - Capital	899	-		(899)	-
Big Lottery - Reaching Communities - Building Capabilities	4,148	-		(2,518)	1,630
Gr.Manchester Combined Authorities	-	-	22,044	-	22,044
The Grand Trust	35,686	-		(6,684)	29,002
	<u>47,798</u>	<u>526,769</u>	<u>-</u>	<u>(520,826)</u>	<u>53,741</u>
Unrestricted:					
General Funds	150,840	378,335	(959)	(299,490)	228,726
Designated Capital Funds	37,126	-	959	(8,484)	29,601
	<u>187,966</u>	<u>378,335</u>	<u>-</u>	<u>(307,974)</u>	<u>258,327</u>
	<u>235,764</u>	<u>905,104</u>	<u>-</u>	<u>(828,800)</u>	<u>312,068</u>

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18 ANALYSIS OF CHARITABLE FUNDS CONT...

Previous Year	Balance at 01-Apr-19	Incoming	Transfers	Outgoing	Balance at 31-Mar-20
	£	£	£	£	£
Restricted Revenue:					
Lloyds Bank Foundation	-	25,000		(25,000)	-
Inspiring Change Mcr - Big Lottery FL	-	76,201		(76,201)	-
Inspiring Change Mcr - Flexible Fund	-	2,347		(2,347)	-
Big Lottery - Reaching Communities	10,166	154,218		(164,384)	-
Grand Trust - education	-	17,860	(700)	(17,160)	-
Grand Trust - other	-	10,152		(10,152)	-
Achieve Development Fund	435	90,274		(87,092)	3,617
Tudor Trust	-	25,000		(25,000)	-
Construction Project	662	-		(662)	-
Southall Trust	500	-		(500)	-
CRH Charitable Trust	-	5,000		(811)	4,189
John Lewis	1	5,766		(5,767)	-
Esmee Fairbairn Foundation	-	13,333		(13,333)	-
The Albert Gubay Charitable Foundation	-	30,000		(30,000)	-
Community Forest Trust	543	-		(543)	-
Tesco	-	2,892		(2,892)	-
Woodland Futures (Community Forest)	67	5,184		(5,598)	(347)
WEA	-	11,658		(12,052)	(394)
MCC- Work Club	-	6,000		(6,000)	-
Capital:					
Inspiring Change - Capital	1,949	-		(1,050)	899
Big Lottery - Reaching Communities - Building Capabilities	6,666	-		(2,518)	4,148
Awards for All - Digital upgrade	403	-		(403)	-
The Grand Trust	8,939	32,882	700	(6,835)	35,686
	<u>30,331</u>	<u>513,767</u>	<u>-</u>	<u>(496,300)</u>	<u>47,798</u>
Unrestricted:					
General Funds	137,987	413,197	243	(400,587)	150,840
Designated Capital Funds	46,833	-	(243)	(9,464)	37,126
	<u>184,820</u>	<u>413,197</u>	<u>-</u>	<u>(410,051)</u>	<u>187,966</u>
Total Funds	<u>215,151</u>	<u>926,964</u>	<u>-</u>	<u>(906,351)</u>	<u>235,764</u>

Transfers

Transfers to the designated capital fund are due to capital grants being spent. See designated capital funds note overleaf.

Purpose of Restricted Funds:

Lloyds Bank Foundation	towards the salary of the CEO and business development officer
Inspiring Change Manchester - Big Lottery Fulfilling Lives	towards a project to transform opportunities for adults with multiple and complex needs in Manchester
Big Lottery - Reaching Communities Gr. Manchester Combined Authorities	towards the Work Experience project at Back on Track towards capital and related costs to make the centre Covid safe safe before reopening after initial lockdown
Achieve Development Fund	towards "Inside and Out," a life skills course (with HMP Manchester)
Tudor Trust	towards the catering co-ordinator post
Southall Trust	towards the catering assistant post
John Lewis	towards catering and enterprise training courses
WEA	towards education
Grand Trust	towards education
Esmee Fairbairn Foundation	towards core costs to support people with multiple disadvantage

**BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

- 18** Restricted Funds details cont...
- | | |
|------------------------------------|--|
| CRH Charitable Trust | towards a catering assistant |
| The Albert Gubay Charitable Found. | towards the Heads Up worker, courses & activities |
| Community Forest | towards outdoor sessions in South Manchester (with City of Trees) |
| Tesco Bags of Help | towards a programme of health and wellbeing activities |
| Woodland Futures | towards Green Heritage and Out and About taster courses |
|
 | |
| Designated Capital Funds | This fund is fully spent. The balance represents the book value of assets still to be depreciated in line with normal accounting practice. |

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Tangible Fixed Assets	29,601	52,725	82,326	38,351	40,733	79,084
Net Current Assets	228,726	1,016	229,742	149,615	7,065	156,680
Net Assets at 31 March	<u>258,327</u>	<u>53,741</u>	<u>312,068</u>	<u>187,966</u>	<u>47,798</u>	<u>235,764</u>

20 CONSTITUTION

The company is limited by guarantee and does not have a share capital. In the event of a winding up all members (the trustees under the governing documents) have agreed have agreed to contribute an amount not exceeding £1.

21 CAPITAL COMMITMENTS

	2021 £	2020 £
Contracted but not provided for	nil	nil

22 OPERATING LEASE COMMITMENTS

The total future lease payments under non-cancellable operating leases are:

	Equipment 2021 £	Land and Buildings 2021 £	Total 2020 £	Total 2020 £
Within one year	955	60,380	955	22,031
Between 2 - 5 years	956	382,887	956	1,911
		20,055		
	<u>1,911</u>	<u>463,322</u>	<u>1,911</u>	<u>23,942</u>

A new 6 year lease in respect of the property at Swan Buildings, Manchester, was signed on 25th June 2021. In addition to the rent a service charge is also payable and averages £14,900 p.a.

23 ULTIMATE CONTROLLING PARTY

The company is under the control of the Board of Management. The person with significant control is Mr. Gary Cripps.

24 FINANCIAL INSTRUMENTS

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised on a transaction value and subsequently measured at their value with the exception of bank loans which are subsequently measured at an amortised cost using the effective interest method.

**BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25 RELATED PARTIES

Swan Kitchens CIC is a wholly owned trading subsidiary of Back on Track Manchester Ltd, and was incorporated on 18th December 2019. The charity has 100% of the voting rights. Group accounts are not required to be prepared where Income excluding inter-company transactions does not exceed £1 million.

TRADING STATEMENT

	Year Ended 31st March 2021	Period Ended 31st March 2020
	£	£
Turnover	22,305	13,797
Cost of Sales	<u>(16,870)</u>	<u>(2,478)</u>
Gross Profit	5,435	11,319
Administrative Expenses	(52,595)	(11,308)
Other Operating Income	47,156	-
Profit (Loss) before Tax	<u><u>(4)</u></u>	<u><u>11</u></u>

During the period a contribution to rent of £6,225, £4,000 for website costs, £8,475 for management charges and £105 for use of the vehicle was made to Back on Track Manchester Ltd. At 31st March Swan Kitchens owed Back on Track Manchester Ltd £20,011 in respect of rent, management charges and wages. Members funds (net assets) at 31st March 2021 were £-1.

The company is limited by guarantee and no distribution has been made in the period.

Amanda Paterson is a director of Swan Kitchens CIC and a trustee of Back on Track Manchester Ltd.

These posts are held in a voluntary capacity and no payment is made for any services provided.

Staff members Siobhan Pollitt and Kate Downes are directors of Swan Kitchens on behalf of Back on Track Manchester Ltd. No payment is made for their role as volunteer directors of Swan Kitchens CIC.

26 POST BALANCE SHEET EVENTS

Covid-19 continues to present challenges to Back on Track in 2021/22 both in relation to contract income and securing new grant funding. These challenges are shared by the wider sector and Back on Track will continue to work in an agile and responsive way. We will carefully manage the organisation's finances while maintaining our focus on high quality delivery of much-needed services for our community.