

**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 2022**

**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 2022**

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Back on Track Manchester Limited

## Report of the trustees for the year ending 31<sup>ST</sup> March 2022

The trustees present their annual directors' report and financial statements of the charity for the year ended 31<sup>st</sup> March 2022 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

Gillian Drakeford (appointed 26<sup>th</sup> April 2022)

Olusayo Phillips (appointed 26<sup>th</sup> April 2022)

Oona Cassidy (appointed 26<sup>th</sup> April 2022)

Amina Bodhanian (appointed 26<sup>th</sup> April 2022)

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

McKellens Chartered Accountants

11 Riverview, The Embankment Business Park

Vale Road, Heaton Mersey

Stockport, SK4 3GN

### Auditors

### 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 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 members<sup>1</sup>. 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.

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

*"Coming to Back on Track has given me a lot of confidence in what I want to do in my life, it's also given me the belief that I can be valued in life and have the purpose to go on"- Back on Track member*

supportive work life.

## 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 members, and we also run women-only sessions. As well as providing a positive space and community, our main services are:

- Essential skills development (English, maths, digital)
- Life skills sessions that promote independence (budgeting, cooking)
- Pre-employment skills (CV writing, communication, disclosure of convictions)
- Health and wellbeing activities (creative groups, outdoor activities, museum trips)
- Citizenship & social inclusion (women's group, environmental sustainability, co-production activity)
- One-to-one progression guidance (volunteering programme, holistic support, signposting)

<sup>1</sup> We recently ran a series of co-production activities during which the people who use our services chose to be referred to as members, recognising the value of belonging to a community

## Back on Track Manchester Limited

- Specialist advice for people with the full range of convictions

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

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

*"I now have a really clear plan for my own future and my next step is to secure paid work supporting others to make positive changes to their lives. For the first time in my life I actually believe that I am going to achieve this and this is a result of the fantastic support that I have received from the staff at Back on Track." – Back on Track volunteer*

## 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 and volunteering opportunities, 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, enabling people to cope with challenges, 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.

## 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 local authority pay scales. Salaries are reviewed annually by the Board.

Swan Kitchens Community Interest Company was our catering social enterprise. It was a wholly-owned subsidiary of Back on Track established in December 2019. The company had three directors: the chief

Back on Track Manchester Limited

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 30<sup>th</sup> 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. We encourage trustees to spend time in our centre, meeting members and learning more about the organisation. Further 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 Annual General Meeting. 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 discussed and future aims and ambitions are considered in conjunction with the on-going programme. Any discussion papers circulated before the meeting will be reviewed. 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 ongoing challenges in 2021-22. Crises often amplify existing inequalities, and the lockdown and restriction periods have been especially hard for the majority of people who usually come to our centre.

Our Back on Track sense of community remained strong throughout the Covid-19 pandemic. We are proud of how we've been able to adapt our services and projects throughout this period.

The Strategic Plan identified specific areas of focus and we have made significant progress against each area in 2021-22:

### Enhanced learning

- Delivered a pilot programme to support people on probation with dyslexia to understand their condition, improve their learning skills and develop coping strategies
- Increased focus on mental health, understanding trauma and mindfulness within the curriculum

#### Back on Track Manchester Limited

- Continued to address digital exclusion by providing devices, data, support and skill-development to members of our community
- Established our own book club, library and external partnerships to promote reading

#### Influencing and partnerships

- Progressed our role in the fair recruitment movement through delivering training and advice to employers
- Strengthened our regional relationships with Greater Manchester Combined Authority and Greater Manchester Probation Service
- Strengthened existing relationships with key voluntary sector partners to develop new projects relating to criminal justice, environmental sustainability, trauma, mental health and sector collaboration
- Undertook a significant re-engagement programme post-restrictions to understand the changed landscape in support services and ensure people are aware of Back on Track's offer
- Made a significant contribution to the evaluation and legacy work at the end of Inspiring Change Manchester programme. We will continue to advocate for systems change and the role of learning as an early intervention through the Manchester Changing Futures partnership

#### Co-production

- Brought new emphasis to co-production as a way of working across all parts of the organisation
- Held co-design sessions to develop our 2021-24 Strategic Plan
- Include members in colleague recruitment decisions and used member feedback to redesign our own recruitment practices, making them even more inclusive
- Worked with our members to agree the language and terminology we use within Back on Track
- Co-produced a training programme to improve the experience of people who have experienced trauma when accessing services

#### Environmental sustainability

- Implemented actions from our Environmental Sustainability working group including a renewed focus on reducing waste and recycling within our centre and changing to a renewable energy supplier
- Built on partnerships to provide outdoor activities, access to nature and promote green jobs
- Developed climate change learning programmes to change habits and reduce our carbon footprint
- Promoted plant based eating and reducing food waste in cooking classes

*"I love learning about how nature can help with climate change, especially living gardens to help insulate buildings and how trees can help reduce carbon. I knew a few things about climate change before the course but there are many things I can build on and new ways I can change my habits" – Back on Track member*

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.

*"Coming to Back on Track I feel has given me a purpose and I see hope, meeting people instead of isolating myself because of mental health and trauma" – Back on Track member*

Back on Track Manchester Limited

### **Financial review**

Total income in the year was £784,925 (2021 £905,104) and total expenditure was £830,413 (2021 £828,800) leaving a deficit of £45,488. The deficit reflects the impact of Covid-19 on 'payment by results' contract income.

The board agreed that these two exceptional 'Covid' years (2020-21 and 2021-22) should be looked at together. Overall our funders have been supportive and in 2020-21 we achieved a surplus of £76,304 due to Covid-19 relief and other grants. This surplus provided the 'cushion' we knew we would need in 2021-22 when grants and contracts returned to pre-covid arrangements but ongoing restrictions and anxiety about infection risk significantly affected delivery. Taking the two years together, we increase our total reserves by £30,816 in spite of the substantial challenges.

Unrestricted funds at the year-end were £226,090 and restricted funds totalled £40,490.

Major funding streams include Inspiring Change Manchester, Community Learning Fund, Achieve North West, and Big Lottery Reaching Communities.

Catering enterprise activity ceased and our community interest company (Swan Kitchens CIC) closed due to loss of business and no prospect of orders resuming as working patterns have changed.

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 longer-term impact of the Covid-19 pandemic and other external economic pressures

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.

### **Reserves policy and going concern**

The total funds held at the year-end were £266,580, of which £40,490 were restricted funds. The charity currently has £226,090 in unrestricted reserves of which £205,143 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 core Back on Track provision, creating new learning programmes for our centre and partnerships, ensuring that our members influence their development and the direction of the organisation. We will work with members to understand how best to support people through the cost of living crisis and post-pandemic rise in mental health difficulties.

We will continue to work with partner organisations and develop new relationships to progress our education, training and employment (ETE) work in the criminal justice sector through our role in the new IRS Manchester Welfare Hub pilot, and supporting people experiencing multiple disadvantage through the Changing Futures programme.

We will continue to advocate and influence change locally and regionally promoting fair recruitment, the real living wage and equality of opportunity for people facing disadvantage.

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

*It helps me to stay connected to people and less isolated, cheers me up having had a nice time and it's depressing if I miss it. It's the only time I get something to eat I've not made myself! - Back on Track member*

### 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 not will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy

**Back on Track Manchester Limited**

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.

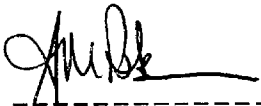
**Statement as to disclosure of information to auditors**

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



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Treasurer: Amanda Paterson

Date: 27/09/ 2022

**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 2022, 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 2022 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](http://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

30 September 2022

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

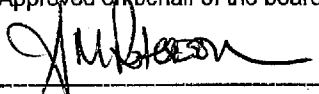
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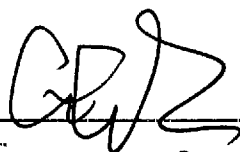
BALANCE SHEET AS AT 31 MARCH 2022

	NOTES	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	13		60,768		82,326
<b>CURRENT ASSETS</b>					
Stock	14	200		200	
Debtors & Prepayments	15	101,630		89,944	
Cash at Bank and in Hand		255,936		347,591	
		<u>357,766</u>		<u>437,735</u>	
<b>CREDITORS:</b>					
Amounts falling due within one year	16	(151,954)		(207,993)	
		<u>(151,954)</u>		<u>(207,993)</u>	
<b>NET CURRENT ASSETS</b>			205,812		229,742
<b>TOTAL NET ASSETS</b>			<u>266,580</u>		<u>312,068</u>
<b>ACCUMULATED RESERVES</b>					
Unrestricted Funds	18		226,090		258,327
Restricted Funds	19		40,490		53,741
			<u>266,580</u>		<u>312,068</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: A. Paterson

  
Director: Emily Cripps

Date: 27/09/2022

The notes on pages 16 to 28 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 2022**

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>INCOME FROM:</b>					
Donations & Legacies	3	71,828	-	71,828	57,208
Charitable Activities	4	275,234	405,527	680,761	820,044
Other Trading Activities	5	26,521	-	26,521	25,098
Investment Income	6	1,121	-	1,121	759
Other Income	7	4,694	-	4,694	1,995
<b>TOTAL INCOMING RESOURCES</b>		<b>379,398</b>	<b>405,527</b>	<b>784,925</b>	<b>905,104</b>
<b>EXPENDITURE ON</b>					
Raising Funds	8	32,240	-	32,240	25,334
Charitable activities	9	379,971	418,202	798,173	803,466
<b>TOTAL</b>		<b>412,211</b>	<b>418,202</b>	<b>830,413</b>	<b>828,800</b>
<b>NET INCOME (EXPENDITURE)</b>		<b>(32,813)</b>	<b>(12,675)</b>	<b>(45,488)</b>	<b>76,304</b>
Transfers between funds	18	576	(576)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(32,237)</b>	<b>(13,251)</b>	<b>(45,488)</b>	<b>76,304</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		258,327	53,741	312,068	235,764
<b>TOTAL FUNDS CARRIED FORWARD</b>	18	<b>226,090</b>	<b>40,490</b>	<b>266,580</b>	<b>312,068</b>

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

The notes on pages 16 to 28 form part of these accounts.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31ST MARCH 2022

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

	2022 £	2021 £
Net movement in funds	(45,488)	76,304
Add back depreciation	20,982	23,344
Less profit on sale of assets	(2,376)	-
Deduct investment income	(1,121)	(759)
Decrease/(increase) in debtors	(11,686)	(51,628)
Increase/(decrease) in creditors	(56,039)	115,047
<b>Net cash used in operating activities</b>	<u>(95,728)</u>	<u>162,308</u>
<b>Cash flows from investment activities:</b>		
Interest	1,121	759
Purchase of fixed assets	-	(26,586)
Sale of Fixed Assets	2,952	-
<b>Net cash provided by investing activities</b>	<u>4,073</u>	<u>(25,827)</u>
Increase/(decrease) in cash and cash equivalents during the year	(91,655)	136,481
Cash and cash equivalents brought forward	347,591	211,110
<b>Cash and cash equivalents carried forward</b>	<u><u>255,936</u></u>	<u><u>347,591</u></u>

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

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

**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 2022/23 show that the charity need to secure £131,595 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, included those in restricted funds, specifying performance in 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 2022**

**(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 2022**

**(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 2022 (2021 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**

	2022	2021
	£	£
This is stated after charging:		
Depreciation	20,982	23,344
Audit Fees	3,840	3,880
	<u>3,840</u>	<u>3,880</u>

**3 DONATIONS & LEGACIES**

	Unrestricted	Restricted	Total 2022
	£	£	£
Donations & Gift Aid	45,654	-	45,654
The Robert McAlpine Foundation	10,000	-	10,000
Swan Kitchens CIC	16,174	-	16,174
	<u>71,828</u>	<u>-</u>	<u>71,828</u>

	Unrestricted	Restricted	Total 2021
	£	£	£
Previous Year			
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>

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

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

<b>4 INCOME FROM CHARITABLE ACTIVITIES</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Manchester Adult Education Service NLDC	159,302	-	159,302
HMRC CJRS	-	28,404	28,404
Lloyds Bank Foundation	-	8,333	8,333
North West Probation Trusts - ESF/NOMS	48,812	-	48,812
Changing Futures	-	10,534	10,534
Our Manchester	26,500	-	26,500
GM Probation ( £2,841 deferred)	-	7,081	7,081
Big Lottery Reaching Communities (£22,652 released, £19,965 deferred)	-	121,409	121,409
Inspiring Change Manchester - Big Lottery	-	99,530	99,530
The Grand Trust (£12,810 released, £42,190 deferred)	-	12,810	12,810
Woodland Futures (Community Forest)	-	3,578	3,578
The Albert Gubay Charitable Foundation (£10,186 rel'd)	-	10,186	10,186
Just Life (£3,951 deferred)	-	1,317	1,317
WEA	-	23,165	23,165
MCC Work Club	-	7,555	7,555
Garfield Weston Foundation	-	40,000	40,000
Henry Smith Charity (£10,000 deferred)	-	10,000	10,000
GMCVO (£6,402 deferred)	-	6,019	6,019
MMU Construction Project ( £723 deferred)	-	1,269	1,269
Edward Gostling Foundation	-	5,000	5,000
CRH Charitable Trust	-	5,000	5,000
Birmingham City Council	-	2,116	2,116
Salford CVS	-	1,966	1,966
ARC Hospitality ( £1,117 deferred)	-	255	255
Society of the Holy Child Jesus	10,000	-	10,000
Schroder Charitable Trust	5,000	-	5,000
WO Street Charitable Foundation	5,000	-	5,000
Albert Hunt	5,000	-	5,000
Manchester Health & Wellbeing	5,000	-	5,000
Other grants under £5,000	10,620	-	10,620
	<u>275,234</u>	<u>405,527</u>	<u>680,761</u>

**BACK ON TRACK MANCHESTER LTD.**  
**(COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

<b>4</b>	Previous Year:			
	<b>INCOME FROM CHARITABLE ACTIVITIES</b>	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>

**5 INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	£	£	£	£	£	£
Café	12,495		12,495	1,734		1,734
Training	2,808		2,808	-		-
Room Hire	710		710	-		-
Staff Secondment	2,608		2,608	4,559		4,559
<i>Subsidiary:</i>						
Room Hire	4,275		4,275	6,225		6,225
Management Charge	3,390		3,390	8,475		8,475
Web Design	-		-	4,000		4,000
Use of Vehicle	235		235	105		105
	<u>26,521</u>	<u>-</u>	<u>26,521</u>	<u>25,098</u>	<u>-</u>	<u>25,098</u>

**6 INVESTMENT RECEIVABLE**

	2022	2021
	£	£
Bank Interest Receivable	<u>1,121</u>	<u>759</u>

**7 OTHER INCOME**

	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	£	£	£	£	£	£
Student Placements	-	-	-	1,830	-	1,830
Profit on sale of assets	2,376		2,376	-	-	-
Development Work	510		510	-	-	-
Miscellaneous	1,808	-	1,808	165	-	165
	<u>4,694</u>	<u>-</u>	<u>4,694</u>	<u>1,995</u>	<u>-</u>	<u>1,995</u>

**BACK ON TRACK MANCHESTER LTD.  
(COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**8 EXPENDITURE ON RAISING FUNDS**

	Core	Café & Catering Skills £	Total 2022 £	Total 2021 £
Wages & Salaries	16,432	-	16,432	15,876
Café & catering stock costs	-	8,710	8,710	1,237
Rent & Service Charge	3,396	-	3,396	6,135
Cleaning Materials	-	1,237	1,237	310
Repairs & Renewals	-	488	488	72
Depreciation	-	47	47	47
Support Costs	-	211	211	61
Market Stall Fees	-	124	124	19
Bad Debts	-	-	-	18
Fundraising Costs	294	-	294	256
Staff Travel	-	99	99	-
Training	-	457	457	-
Vehicle Costs	-	745	745	1,207
Volunteer Costs	-	-	-	96
	<u>20,122</u>	<u>12,118</u>	<u>32,240</u>	<u>25,334</u>
Restricted			-	-
Unrestricted			<u>32,240</u>	<u>25,334</u>
Total			<u>32,240</u>	<u>25,334</u>

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

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

9 EXPENDITURE ON CHARITABLE ACTIVITIES

		Café & Catering Skills	Education & Training	Total 2022
		£	£	£
Employment Costs	Staff Time	13,627	532,404	546,031
Recruitment & DBS Checks	Staff Time		1,070	1,070
Vaccinations	Staff Time		135	135
External Specialist Staffing	Staff Time		2,200	2,200
Rent & Service Charge	Floor Area		64,515	64,515
Storage, Transport & Removal Costs	Floor Area		1,332	1,332
Rates & Water	Floor Area		230	230
Light & Heat	Floor Area		16,706	16,706
Repairs & Renewals	Floor Area		2,606	2,606
Cleaning	Floor Area		1,607	1,607
Telephone	By Project		3,923	3,923
Travelling Expenses	By Project		733	733
Volunteer Expenses	By Project		6,204	6,204
Student Expenses	By Project		11,015	11,015
Training	By Project		3,113	3,113
Course Materials & Accreditation Costs	By Project		5,033	5,033
Service User Welfare	By Project		21,068	21,068
Service User Equipment	By Project		3,831	3,831
Canteen Expenses	By Project		100	100
Support Costs			95,584	95,584
Governance Costs			11,137	11,137
		13,627	784,546	798,173
Restricted		13,627	404,575	418,202
Unrestricted		-	379,971	379,971
Total		13,627	784,546	798,173
Previous Year		£	£	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

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

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

10 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

		Support Costs	Governance Costs	Total 2022
		£	£	£
Management & Admin Salaries	Staff Time	51,254	5,695	56,949
Computer Costs	Direct	10,588		10,588
Subscriptions	Direct	203		203
Minor Equipment	Direct	458		458
Printing, Post and Stationery	Direct	3,225		3,225
Book-keeping	Direct	3,360		3,360
Payroll Costs	Direct	2,685		2,685
Legal & Professional Fees	Direct	26		26
HR Costs	Direct	313		313
Insurance	Direct	1,710		1,710
Sundry	Direct	827		827
Depreciation	Direct	20,935		20,935
Audit & Accountancy	Governance		4,830	4,830
Bank Charges & Interest	Governance		612	612
<b>TOTAL</b>		<b>95,584</b>	<b>11,137</b>	<b>106,721</b>
Restricted Funds		65,300	5,720	71,020
Unrestricted Funds		30,284	5,417	35,701
Total		95,584	11,137	106,721

		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
<b>TOTAL</b>		<b>103,786</b>	<b>11,414</b>	<b>115,200</b>
Restricted Funds		68,838	5,546	74,384
Unrestricted Funds		34,948	5,868	40,816
Total		103,786	11,414	115,200

Included within audit and accountancy is £3,840 (2021 £3,880) 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 2022**

<b>11 STAFF COSTS</b>	<b>2022</b>	<b>2021</b>
	£	£
Wages and Salaries	540,605	592,418
Social Security Costs	43,199	21,213
Redundancy Costs	9,339	2,967
Pension Costs	26,269	31,022
	<u>619,412</u>	<u>647,620</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 £117,664 (2020 £109,813).

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

Management, Teaching & Administration	<u>26</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.

<b>13 FIXED ASSETS</b>	Leasehold Improvements	Plant & Equipment	Total
	£	£	£
<b>COST</b>			
At 1 April 2021	153,170	69,578	222,748
Additions	-	-	-
Disposals	-	(5,420)	(5,420)
At 31 March 2022	<u>153,170</u>	<u>64,158</u>	<u>217,328</u>
<b>DEPRECIATION</b>			
At 1 April 2021	90,487	49,935	140,422
Provided in the year	12,306	8,676	20,982
Disposals	-	(4,844)	(4,844)
At 31 March 2022	<u>102,793</u>	<u>53,767</u>	<u>156,560</u>
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>50,377</u>	<u>10,391</u>	<u>60,768</u>
At 31 March 2021	<u>62,683</u>	<u>19,643</u>	<u>82,326</u>

<b>14 STOCK</b>	<b>2022</b>	<b>2021</b>
	£	£
At lower of cost and net realisable value	<u>200</u>	<u>200</u>

<b>15 DEBTORS &amp; PREPAYMENTS</b>	<b>2022</b>	<b>2021</b>
	£	£
Trade Debtors	34,342	4,788
Amounts due from Group Undertakings	-	20,011
Accrued Income	47,386	27,751
Prepayments	19,902	37,394
	<u>101,630</u>	<u>89,944</u>
Restricted	25,125	23,611
Unrestricted	76,505	66,333
	<u>101,630</u>	<u>89,944</u>

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

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

<b>16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		<b>2022</b>	<b>2021</b>		
		<b>£</b>	<b>£</b>		
Trade Creditors		4,551	23,118		
Social Security and Other Taxes		11,477	13,166		
Accruals		13,153	12,561		
Deferred Income		122,773	159,148		
		<u>151,954</u>	<u>207,993</u>		
Restricted		131,853	156,147		
Unrestricted		20,101	51,846		
		<u>151,954</u>	<u>207,993</u>		
<b>17 DEFERRED INCOME</b>		<b>2022</b>	<b>2021</b>		
Deferred Income comprises grants in advance.		<b>£</b>	<b>£</b>		
Balance as at 1st April		159,148	58,571		
Amount released to income earned from charitable activities		(101,302)	(55,803)		
Amount deferred in year		64,927	156,380		
Balance at 31st March		<u>122,773</u>	<u>159,148</u>		
<b>18 ANALYSIS OF CHARITABLE FUNDS</b>	<b>Balance at</b>			<b>Balance at</b>	
	<b>01-Apr-21</b>	<b>Incoming</b>	<b>Transfers</b>	<b>Outgoing</b>	<b>31-Mar-22</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Revenue:</b>					
Lloyds Bank Foundation	-	8,333		(8,333)	-
Inspiring Change Mcr - Big Lottery FL	-	76,590		(76,590)	-
Inspiring Change -Art & Wellbeing	-	1,772		(1,772)	-
Inspiring Change Mcr - Flexible Fund	-	21,168		(21,168)	-
Big Lottery - Reaching Communities	-	121,409		(121,409)	-
Grand Trust	-	12,810		(12,810)	-
Achleve Development Fund	1,065	-		(1,065)	-
MMU Construction	-	1,269		(1,269)	-
CRH Charitable Trust	-	5,000		(5,000)	-
The Albert Gubay Charitable Foundation	-	10,186		(10,186)	-
Woodland Futures (Community Forest)	-	3,578		(3,578)	-
WEA	-	23,165		(23,165)	-
MCC- Work Club	-	7,555		(7,555)	-
HMRC CJRS	-	28,404		(28,404)	-
Garfield Weston Foundation	-	40,000		(40,000)	-
Edward Gostling Foundation - Catering	-	5,000		(5,000)	-
Birmingham City Council - Loan Sharks	-	2,116		(2,116)	-
GMCVO - Trauma Rspnsive Comms.	-	2,598		(2,598)	-
GMCVO - Emergency Care	-	653		(653)	-
GMCVO - GM Walking	-	2,768		(2,768)	-
Changing Futures	-	10,534		(10,534)	-
Just Life	-	1,317		(1,314)	3
Henry Smith Charity	-	10,000		(10,000)	-
GM Probation - Dyslexia Project	-	7,081		(7,081)	-
Salford CVS	-	1,966		(1,299)	667
ARC Hospitallty	-	255		(255)	-
<b>Capital:</b>					
Big Lottery - RC - Building Capabilities	1,630	-	(576)	(1,054)	-
Gr.Manchester Combined Authorities	22,044	-		(4,542)	17,502
The Grand Trust	29,002	-		(6,684)	22,318
	<u>53,741</u>	<u>405,527</u>	<u>(576)</u>	<u>(418,202)</u>	<u>40,490</u>
<b>Unrestricted:</b>					
General Funds	228,726	379,398	576	(403,557)	205,143
Designated Capital Funds	29,601	-		(8,654)	20,947
	<u>258,327</u>	<u>379,398</u>	<u>576</u>	<u>(412,211)</u>	<u>226,090</u>
	<u>312,068</u>	<u>784,925</u>	<u>-</u>	<u>(830,413)</u>	<u>266,580</u>

**BACK ON TRACK MANCHESTER LTD.  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**18 ANALYSIS OF CHARITABLE FUNDS CONT...**

Previous Year	Balance at 01-Apr-20 £	Incoming £	Transfers £	Outgoing £	Balance at 31-Mar-21 £
<b>Restricted Revenue:</b>					
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)	-
<b>Capital:</b>					
Inspiring Change - Capital	899	-		(899)	-
Big Lottery - Reaching Communities - Buil	4,148	-		(2,518)	1,630
Gr.Manchester Combined Authorities	-	-	22,044	-	22,044
The Grand Trust	35,686	-		(6,684)	29,002
	<b>47,798</b>	<b>526,769</b>	<b>-</b>	<b>(520,826)</b>	<b>53,741</b>
<b>Unrestricted:</b>					
General Funds	150,840	378,335	(959)	(299,490)	228,726
Designated Capital Funds	37,126	-	959	(8,484)	29,601
	<b>187,966</b>	<b>378,335</b>	<b>-</b>	<b>(307,974)</b>	<b>258,327</b>
<b>Total Funds</b>	<b>235,764</b>	<b>905,104</b>	<b>-</b>	<b>(828,800)</b>	<b>312,068</b>

**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	towards the Work Experience project at Back on Track
Gr. Manchester Combined Authorities	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
WEA	towards education
Grand Trust	towards education
CRH Charitable Trust	towards a catering assistant
The Albert Gubay Charitable Found.	towards the Heads Up worker, courses & activities
Garfield Weston Foundation	towards costs of on-site café and catering programmes
Woodland Futures	towards Green Heritage and Out and About taster courses
Changling Futures	towards partnership work to better support those who experience multiple disadvantage
Just Life	funding for partnership development work to strengthen organisations resilience
Henry Smith Charity	core funding
ARC Hospitality	advice and support to ARC in development of their employability programme
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.

**BACK ON TRACK MANCHESTER LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Tangible Fixed Assets	20,948	39,820	60,768	29,601	52,725	82,326
Net Current Assets	205,142	670	205,812	228,726	1,016	229,742
Net Assets at 31 March	<u>226,090</u>	<u>40,490</u>	<u>266,580</u>	<u>258,327</u>	<u>53,741</u>	<u>312,068</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 to contribute an amount not exceeding £1.

**21 CAPITAL COMMITMENTS**

Contracted but not provided for	£	£
	<u>nil</u>	<u>nil</u>

**22 OPERATING LEASE COMMITMENTS**

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

	Equipment 2022	Land and Buildings 2022	Total 2022	Total 2021
	£	£	£	£
Within one year	1,625	71,112	72,737	61,335
Between 2 - 5 years	6,093	331,830	337,923	383,843
After 5 years	-	-	-	20,055
	<u>7,718</u>	<u>402,942</u>	<u>410,660</u>	<u>465,233</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.  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**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**

	<b>Period Ended 18th January 2022 £</b>	<b>Year Ended 31st March 2021 £</b>
<b>Turnover</b>	30,268	22,305
<b>Cost of Sales</b>	<u>(11,069)</u>	<u>(16,870)</u>
<b>Gross Profit</b>	19,199	5,435
<b>Administrative Expenses</b>	(36,044)	(52,595)
<b>Other Operating Income</b>	<u>16,846</u>	<u>47,156</u>
<b>Profit (Loss) before Tax</b>	<u><u>1</u></u>	<u><u>(4)</u></u>

During the period a contribution to rent of £4,275, £3,390 for management charges and £235 for use of the vehicle was made to Back on Track Manchester Ltd. At 31st March there were no outstanding balances. The company is limited by guarantee and no distribution has been made in the period.

Due to the impact of Covid 19 on the demand for event catering a decision was made to close the company. 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**

There are no significant post balance sheet events that the trustees consider would have an impact on the financial statements as presented.