

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 2023

**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 2023

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Back on Track Manchester Limited

Report of the trustees for the year ending 31ST March 2023

The trustees present their annual directors' report and financial statements of the charity for the year ended 31st March 2023 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 | (resigned as Chair 26 th April 2023, remains a trustee) |
| Chair: Gillian Drakeford | (appointed as trustee 26 th April 2022, Chair from 26 th April 2023) |
| Vice Chair: Susan Jenkins | Treasurer: Amanda Paterson |
| Lyndsey Forrest | Judy Harrison |
| Mark Stapleton | Amina Bodhanla (appointed 26 th April 2022) |
| Julie Taylor | Oona Cassldy (appointed 26 th April 2022) |
| Kevin Wong | Olusayo Phillips (appointed 26 th April 2022) |
| Company Secretaries: | Beth Maguire, Adam Barker (resigned as secretary 21 st July 2023) |
| 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, to 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 learning 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. 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.

'There's an electrical energy of hope and happiness running through the centre' - Back on Track member

Our services

We have an exciting and varied timetable of courses and activities on offer throughout the year at our learning centre. Wherever possible, the programme 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:

- 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

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.

Back on Track Manchester Limited

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.

*'I have been coming to maths and English – I didn't finish school and always wanted to improve my reading and writing. I enjoyed feeling that I belonged somewhere and was around other people' –
Back on Track member*

Public Benefit

The charity furthers its charitable purposes for the public benefit through enabling adults facing disadvantage to have better life chances by participating in training, work experience and volunteering. By engaging with Back on Track learning programmes 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 which enables people to cope with setbacks and sustain employment
- contributing to the community resulting in 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 Back on Track's salary policy and pay scales. Salaries are reviewed annually by the Board.

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 also provided with 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.

Back on Track Manchester Limited

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, both in terms of financial and operational risks 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. 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.

Staff and member 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 are planning significant co-production activity as we begin work on our new strategic plan.

People who use our services take part in staff recruitment and task groups with our trustees, staff and volunteers. We also support people to design and deliver learning sessions and share their experiences of progression at external events. 88% of members said that they feel their views count at Back on Track.

We actively encourage people with lived experience of multiple disadvantage to apply for volunteering and employment opportunities within our organisation. We champion fair recruitment practices and are proud that 28% of our staff team and 51% of our volunteers have lived experience of multiple disadvantage.

A review of our achievements and performance

In 2022-23, 566 members from across Greater Manchester attended a session of training, teaching, or one-to-one support and advice at Back on Track. 96% of our members were not in employment, while nearly a third had no qualifications. Their lived experience of multiple disadvantage breaks down as follows:

| Types of disadvantage experienced by members | |
|--|-----|
| Mental Health | 91% |
| Problematic drug/alcohol use | 57% |
| Criminal Justice | 51% |
| Homelessness | 46% |

| Multiple disadvantage | |
|-------------------------------------|------|
| ONE or more types of disadvantage | 100% |
| TWO or more types of disadvantage | 74% |
| THREE or more types of disadvantage | 40% |
| FOUR types of disadvantage | 15% |

Enhanced learning: A major focus was providing new learning opportunities to enrich our core timetable, according to need identified by the people we work with (our members).

This year most of the people we worked with had experienced mental health problems, and improving wellbeing was embedded throughout our arts, music and outdoor courses. We delivered mindfulness and

Back on Track Manchester Limited

meditation courses, while other programmes helped members develop strategies to manage anxiety. The results of our survey in December 2022 demonstrate the impact of our health and wellbeing activities. 95% agreed that 'coming to Back on Track has improved my mental health and wellbeing'.

"The course has given me the ability to manage and plan, deal with problems both physically and with thoughts and feelings. I have developed a greater understanding of myself - both the positive and negative aspects" – Back on Track

Another focus was citizenship and two new courses were developed: 'Campaign for Change' and 'Behind the headlines'. Both were aimed at empowering members to recognise their own unique abilities to effect change and influence, as a direct result of their own lived experiences. One group of members met with GM Mayor Andy Burnham for a question and answer session, covering homelessness, mental health issues, public transport and the importance of lived experience in service design. Several members from these courses are now part of various lived experience forums and are influencing how services are delivered throughout Greater Manchester. We also helped members to apply for voter ID for the 2023 local elections and several members voted for the first time.

Understanding trauma: This project was part of the movement for Greater Manchester to become a trauma-responsive region. A major theme underpinning this work was psychoeducation – enabling people who have experienced trauma to understand how it impacts the body and brain. Our members showed real interest in the concept of 'co-production' and were very enthusiastic about co-producing something that could improve their services. At the end of the course people appreciated that they didn't just get to understand themselves better, but were contributing to making things better for others.

We were thrilled when this project won the Group Learning Award at the Manchester Adult Education and Skills Plan awards in June 2022. This was a huge boost to the members in the group and we presented them with the award at our celebration event in the summer.

'I understand myself better and what's happened to me. Whatever you are struggling with, you should be able to educate yourself about it. If you don't know, you don't know – It's like having a big question mark on your head' - Back on Track member

Progression: For many members who experience social exclusion and isolation and are at the beginning of their journey, regular attendance at courses is progress in itself, together with the improved self-confidence, wellbeing, and social connectedness it provides. 82% of members said attending had helped them make new friends, and 99% said they feel supported at Back on Track.

For others, engagement in our employability provision leads to more formal progression. In a typical three-month period, more than 60 members attended these programmes, resulting in more than 40 progressions into further learning, volunteering, or employment. In our survey, 84% agreed that 'coming to Back on Track makes it more likely I will make progress in my life.'

Cost of living crisis: The cost of living crisis hit our members hard. When surveyed two thirds of members said they were struggling and were worried about how they would cope in the winter, while over half were worried about getting into debt. As a result, we introduced a new 'Money Smart' course looking at budgeting, money saving tips and how to cope when things are tight.

Back on Track Manchester Limited

We provided practical ways to support people, running a weekly £1 meal deal, cost of living events and giving away slow cookers, packs of ingredients and surplus food. Two thirds of all members surveyed agreed that ‘coming to Back on Track has helped me during the cost of living crisis’.

Influencing: Part of our mission is to challenge inequality and unfair recruitment practices affecting people who face multiple disadvantage. We were invited to be a part of the ‘panel of experts’ at a Fair Recruitment event attended by 47 national employers. We highlighted the barriers that people with multiple disadvantage face when trying to access good and sustainable employment. We were able to highlight Back on Track’s own recruitment processes as an example of ways to remove those barriers. As a founder member of the GM Good Employment Charter we continue to influence and advise employers from all sectors across the region and challenge poor recruitment practice when we see it.

We worked with one recruitment agency to support them to develop their in-house employability training programme. We also influenced some parts of the recruitment process in the core business. As a result of this work we were also able to support some of our members to access this programme.

In addition to influencing fair recruitment processes we also delivered sessions at the Greater Manchester Homelessness Action Network and at the Inside Government conference in relation to the integral role of education in the overall support and recovery of adults facing multiple disadvantage.

*‘I feel like I’m being listened to. I know that I have things they need to hear. I don’t want other people to go through what I’ve been through’ –
Back on Track member after speaking at a mental health forum*

An important decision made during 2022/23 was how people who come to Back on Track should be known. We held meetings so people could suggest ideas, created a shortlist, then held a ballot where everyone at Back on Track voted for their favourite option. The winner of the vote, was ‘member’.

Environment and sustainability: Sustainability was a key focus for Back on Track in 2022/23. We introduced new environmental courses, covering climate awareness, upcycling, vegan cooking and more. ‘Make a Difference’ was a series of sessions to teach, inspire and motivate people about the environment, with members pledging to make changes in their own lives. We also worked with our friends at City of Trees to improve green spaces across Greater Manchester and plant 159 trees, creating a carbon reduction legacy for future generations.

We made strides as an organisation to reduce our energy use. We switched to 100% renewable energy sources, made our centre more energy efficient and sourced sustainable packaging and products in our café.

Partnerships and commissioned services: We expanded our work supporting people with convictions to resettle into the community through our role in the new Integrated Resettlement Services Welfare pilot, and through our partnership with Achieve. We continue to have strong partnerships with colleagues in probation, Greater Manchester Police, forensic mental health services, voluntary sector organisations working in criminal justice and Greater Manchester Combined Authorities. We have also continued to support people experiencing multiple disadvantage and influence change in systems and services through the Changing Futures programme, led by Manchester City Council.

The directors wish to extend thanks to the staff of Back on Track for their work over the past year and to the

Back on Track Manchester Limited

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.

Financial review

Total Income in the year was £848,338 (2022 £784,925) and total expenditure was £815,603 (2022 £830,413) leaving a surplus of £32,735. Unrestricted funds at the year-end were £263,176 and restricted funds total £36,139.

Major funding streams include Greater Manchester Integrated Rehabilitation Service, Changing Futures, The Henry Smith Charity, Community Learning Fund, Achieve North West, The Oglesby Trust and Big Lottery Reaching Communities.

Diverse Income streams, positive relationships with grant and contract commissioners, effective scrutiny of finances through monthly finance reports and regular finance committee meetings, combined with good access to information from funders and policy makers provides 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 risk to the charity is significant change in national or local policy resulting in reduced income.

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 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 £299,315 of which £36,139 were restricted funds. The charity currently has £263,176 in unrestricted reserves of which £250,205 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, £205,000 (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 innovate in our education, training and volunteering centre and enable members to influence their learning programme and the direction of the organisation.

We will expand our work within the criminal justice sector, helping to make our community safer by supporting people with convictions to reintegrate and rebuild their lives free from offending. We hope to do this through contracts and special projects working with people with convictions, while contributing to research and influencing systems change.

Our work to deliver and influence services for people facing multiple disadvantage will also develop in 2023/24. We will continue to contribute to the Changing Futures programme, delivering person-centred and trauma responsive support and also delivering training and support to statutory and voluntary sector partners and the business community to open doors, change perceptions and practices, helping to create fair chances and better opportunities for people facing disadvantage in our community.

Trustees responsibilities in relation to the financial statements

The charity 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 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: 17/10/ 2023

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 2023, 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 2023 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

17 October 2023

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

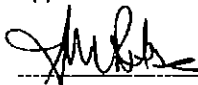
CO. REG. NO. 2735484

BALANCE SHEET AS AT 31 MARCH 2023

| | NOTES | 2023 | | 2022 | |
|-------------------------------------|-------|------------------|----------------|------------------|----------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Fixed Assets | 13 | | 48,370 | | 60,768 |
| CURRENT ASSETS | | | | | |
| Stock | 14 | 200 | | 200 | |
| Debtors & Prepayments | 15 | 61,774 | | 101,630 | |
| Cash at Bank and in Hand | | 313,276 | | 255,936 | |
| | | <u>375,250</u> | | <u>357,766</u> | |
| CREDITORS: | | | | | |
| Amounts falling due within one year | 16 | (124,305) | | (151,954) | |
| | | <u>(124,305)</u> | | <u>(151,954)</u> | |
| NET CURRENT ASSETS | | | 250,945 | | 205,812 |
| TOTAL NET ASSETS | | | <u>299,315</u> | | <u>266,580</u> |
| ACCUMULATED RESERVES | | | | | |
| Unrestricted Funds | 18 | | 263,176 | | 226,090 |
| Restricted Funds | 19 | | 36,139 | | 40,490 |
| | | | <u>299,315</u> | | <u>266,580</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: G. Drakeford

Date: 17/10/2023

17/10/2023

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 2023**

| | Notes | Unrestricted Funds 2023 £ | Restricted Funds 2023 £ | Total Funds 2023 £ | Total Funds 2022 £ |
|------------------------------------|-------|---------------------------------|-------------------------------|--------------------------|--------------------------|
| INCOME FROM: | | | | | |
| Donations & Legacies | 3 | 66,387 | - | 66,387 | 71,828 |
| Charitable Activities | 4 | 358,751 | 395,196 | 753,947 | 680,761 |
| Other Trading Activities | 5 | 23,074 | - | 23,074 | 26,521 |
| Investment Income | 6 | 2,348 | - | 2,348 | 1,121 |
| Other Income | 7 | 1,911 | 671 | 2,582 | 4,694 |
| TOTAL INCOMING RESOURCES | | 452,471 | 395,867 | 848,338 | 784,925 |
| EXPENDITURE ON | | | | | |
| Raising Funds | 8 | 36,868 | - | 36,868 | 32,240 |
| Charitable activities | 9 | 378,517 | 400,218 | 778,735 | 798,173 |
| TOTAL | | 415,385 | 400,218 | 815,603 | 830,413 |
| NET INCOME (EXPENDITURE) | | 37,086 | (4,351) | 32,735 | (45,488) |
| Transfers between funds | 18 | - | - | - | - |
| NET MOVEMENT IN FUNDS | | 37,086 | (4,351) | 32,735 | (45,488) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 226,090 | 40,490 | 266,580 | 312,068 |
| TOTAL FUNDS CARRIED FORWARD | 18 | 263,176 | 36,139 | 299,315 | 266,580 |

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 2023

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

| | 2023 £ | 2022 £ |
|--|-----------------------|-----------------------|
| Net movement in funds | 32,735 | (45,488) |
| Add back depreciation | 21,945 | 20,982 |
| Less profit on sale of assets | - | (2,376) |
| Deduct investment income | (2,348) | (1,121) |
| Decrease/(increase) in debtors | 39,856 | (11,686) |
| Increase/(decrease) in creditors | (27,649) | (56,039) |
| Net cash used in operating activities | <u>64,539</u> | <u>(95,728)</u> |
| Cash flows from investment activities: | | |
| Interest | 2,348 | 1,121 |
| Purchase of fixed assets | (9,547) | - |
| Sale of Fixed Assets | - | 2,952 |
| Net cash provided by investing activities | <u>(7,199)</u> | <u>4,073</u> |
| Increase/(decrease) in cash and cash equivalents during the year | 57,340 | (91,655) |
| Cash and cash equivalents brought forward | 255,936 | 347,591 |
| Cash and cash equivalents carried forward | <u><u>313,276</u></u> | <u><u>255,936</u></u> |

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

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

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 2023/24 show that the charity need to secure £110,109 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, including 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 2023

(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.

(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 2023

(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 2023 (2022 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

| | 2023 | 2022 |
|--------------------------------|--------------|--------------|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | 21,945 | 20,982 |
| Audit Fees | 3,850 | 3,840 |
| | <u>3,850</u> | <u>3,840</u> |

| | Unrestricted | Restricted | Total 2023 |
|-----------------------------------|---------------|------------|---------------|
| | £ | £ | £ |
| 3 DONATIONS & LEGACIES | | | |
| Donations & Gift Aid | 56,387 | - | 56,387 |
| The Robert McAlpine Foundation | 10,000 | - | 10,000 |
| | <u>66,387</u> | <u>-</u> | <u>66,387</u> |

| Previous Year | 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> |

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

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

| 4 INCOME FROM CHARITABLE ACTIVITIES | Unrestricted | Restricted | Total 2023 |
|---|---------------------|-------------------|-------------------|
| | £ | £ | £ |
| Manchester Adult Education Service NLDC | 191,732 | - | 191,732 |
| IRS Welfare Programme | - | 62,511 | 62,511 |
| Lloyds Bank Foundation (£8,333 deferred) | 18,917 | - | 18,917 |
| North West Probation Trusts - ESF/NOMS | 49,435 | - | 49,435 |
| Changing Futures (£4,455 deferred) | - | 44,488 | 44,488 |
| Our Manchester | 20,000 | - | 20,000 |
| GM Probation | - | 2,841 | 2,841 |
| Big Lottery Reaching Communities (£8,685 deferred, £19,965 released) | - | 76,862 | 76,862 |
| Lottery - Awards for All | - | 10,000 | 10,000 |
| Newby Trust | - | 20,000 | 20,000 |
| The Grand Trust | - | 42,190 | 42,190 |
| Oglesby Charitable Trust (£16,556 deferred) | - | 33,648 | 33,648 |
| IRS Service User Fund (£9,465 deferred) | - | 535 | 535 |
| Just Life (£5,812 deferred, £3,951 released) | - | 5,281 | 5,281 |
| WEA | - | 15,219 | 15,219 |
| MCC Work Club | - | 7,330 | 7,330 |
| Garfield Weston Foundation (£18,333 deferred) | 21,667 | - | 21,667 |
| Henry Smith Charity (£10,000 deferred and released) | - | 40,000 | 40,000 |
| GMCVO (£2,467 deferred, £6,402 released) | - | 14,934 | 14,934 |
| Edward Gosling Foundation | 10,000 | - | 10,000 |
| Salford CVS - Gr Manchester Walking Fund | - | 1,975 | 1,975 |
| ARC Hospitality (£1,117 deferred) | - | 1,117 | 1,117 |
| Help the Homeless | - | 2,929 | 2,929 |
| GMCA - Wellbeing | - | 9,850 | 9,850 |
| Edward Holt (£5,727 deferred) | - | 1,986 | 1,986 |
| Swire Trust | 15,000 | - | 15,000 |
| Albert Hunt | 5,000 | - | 5,000 |
| AB Charitable Trust | 15,000 | - | 15,000 |
| Steele Charitable Trust | 10,000 | - | 10,000 |
| Other Social Contracts | 1,000 | - | 1,000 |
| Other grants under £5,000 | 1,000 | 1,500 | 2,500 |
| | 358,751 | 395,196 | 753,947 |

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

| | | | | |
|----------|--|---------------------|-------------------|-------------------|
| 4 | Previous Year: | | | |
| | INCOME FROM CHARITABLE ACTIVITIES | Unrestricted | Restricted | Total 2022 |
| | | £ | £ | £ |
| | 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 Charly (£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> |

5 INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted | Restricted | 2023 | Unrestricted | Restricted | 2022 |
|------------------------|---------------------|-------------------|---------------|---------------------|-------------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Café | 17,879 | - | 17,879 | 12,495 | - | 12,495 |
| Training | 3,200 | - | 3,200 | 2,808 | - | 2,808 |
| Room Hire | 1,620 | - | 1,620 | 710 | - | 710 |
| Staff Secondment | - | - | - | 2,608 | - | 2,608 |
| Consultancy & Research | 375 | - | 375 | - | - | - |
| <i>Subsidiary:</i> | | | | | | |
| Room Hire | - | - | - | 4,275 | - | 4,275 |
| Management Charge | - | - | - | 3,390 | - | 3,390 |
| Use of Vehicle | - | - | - | 235 | - | 235 |
| | <u>23,074</u> | <u>-</u> | <u>23,074</u> | <u>26,521</u> | <u>-</u> | <u>26,521</u> |

6 INVESTMENT RECEIVABLE

| | 2023 | 2022 |
|--------------------------|--------------|--------------|
| | £ | £ |
| Bank Interest Receivable | <u>2,348</u> | <u>1,121</u> |

BACK ON TRACK MANCHESTER LTD.
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

| 7 OTHER INCOME | Unrestricted | Restricted | 2023 | Unrestricted | Restricted | 2022 |
|--------------------------|--------------|------------|--------------|--------------|------------|--------------|
| | £ | £ | £ | £ | £ | £ |
| Student Placements | 1,260 | - | 1,260 | - | - | - |
| Profit on sale of assets | - | - | - | 2,376 | - | 2,376 |
| Development Work | - | - | - | 510 | - | 510 |
| Miscellaneous | 651 | 671 | 1,322 | 1,808 | - | 1,808 |
| | <u>1,911</u> | <u>671</u> | <u>2,582</u> | <u>4,694</u> | <u>-</u> | <u>4,694</u> |

8 EXPENDITURE ON RAISING FUNDS

| | Core | Café & Catering Skills | Total 2023 | Total 2022 |
|-----------------------------|---------------|------------------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Wages & Salaries | 19,272 | - | 19,272 | 16,432 |
| Café & catering stock costs | - | 10,705 | 10,705 | 8,710 |
| Rent & Service Charge | 3,797 | - | 3,797 | 3,396 |
| Cleaning Materials | - | 1,455 | 1,455 | 1,237 |
| Repairs & Renewals | - | 222 | 222 | 488 |
| Depreciation | - | - | - | 47 |
| Support Costs | - | 265 | 265 | 211 |
| Market Stall Fees | - | 46 | 46 | 124 |
| Bad Debts | 64 | 65 | 129 | - |
| Fundraising Costs | 310 | - | 310 | 294 |
| Staff Travel | - | - | - | 99 |
| Training | - | 667 | 667 | 457 |
| Vehicle Costs | - | - | - | 745 |
| | <u>23,443</u> | <u>13,425</u> | <u>36,868</u> | <u>32,240</u> |
| Restricted | | | - | - |
| Unrestricted | | | <u>36,868</u> | <u>32,240</u> |
| Total | | | <u>36,868</u> | <u>32,240</u> |

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

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

9 EXPENDITURE ON CHARITABLE ACTIVITIES

| | | Café & Catering Skills £ | Education & Training £ | Total 2023 £ |
|--|-------------------|-----------------------------------|------------------------------|-----------------|
| Employment Costs | <i>Staff Time</i> | | 515,112 | 515,112 |
| Recruitment & DBS Checks | <i>Staff Time</i> | | 1,539 | 1,539 |
| Vaccinations | <i>Staff Time</i> | | 120 | 120 |
| Other Staff & Project Costs | <i>Staff Time</i> | | 1,960 | 1,960 |
| Rent & Service Charge | <i>Floor Area</i> | | 72,137 | 72,137 |
| Rates & Water | <i>Floor Area</i> | | 4,315 | 4,315 |
| Light & Heat | <i>Floor Area</i> | | 25,728 | 25,728 |
| Repairs & Renewals | <i>Floor Area</i> | | 5,751 | 5,751 |
| Cleaning | <i>Floor Area</i> | | 2,460 | 2,460 |
| Telephone | <i>By Project</i> | | 3,714 | 3,714 |
| Travelling Expenses | <i>By Project</i> | | 580 | 580 |
| Volunteer Expenses | <i>By Project</i> | | 6,916 | 6,916 |
| Student Expenses | <i>By Project</i> | | 15,129 | 15,129 |
| Training | <i>By Project</i> | | 1,905 | 1,905 |
| Course Materials & Accreditation Costs | <i>By Project</i> | | 7,361 | 7,361 |
| Service User Welfare | <i>By Project</i> | | 1,170 | 1,170 |
| Service User Equipment | <i>By Project</i> | | 1,007 | 1,007 |
| Support Costs | | | 99,990 | 99,990 |
| Governance Costs | | | 11,841 | 11,841 |
| | | | <u>778,735</u> | <u>778,735</u> |
| Restricted | | | - | 400,218 |
| Unrestricted | | | - | 378,517 |
| Total | | | <u>-</u> | <u>778,735</u> |
| | | £ | £ | Total 2022 |
| Previous Year | | | | |
| Employment Costs | <i>Staff Time</i> | 13,627 | 532,404 | 546,031 |
| Recruitment & DBS Checks | <i>Staff Time</i> | | 1,070 | 1,070 |
| Vaccinations | <i>Staff Time</i> | | 135 | 135 |
| External Specialist Staffing | <i>Staff Time</i> | | 2,200 | 2,200 |
| Rent & Service Charge | <i>Floor Area</i> | | 64,515 | 64,515 |
| Storage, Transport & Removal Costs | <i>Floor Area</i> | | 1,332 | 1,332 |
| Rates & Water | <i>Floor Area</i> | | 230 | 230 |
| Light & Heat | <i>Floor Area</i> | | 16,706 | 16,706 |
| Repairs & Renewals | <i>Floor Area</i> | | 2,606 | 2,606 |
| Cleaning | <i>Floor Area</i> | | 1,607 | 1,607 |
| Telephone | <i>By Project</i> | | 3,923 | 3,923 |
| Travelling Expenses | <i>By Project</i> | | 733 | 733 |
| Volunteer Expenses | <i>By Project</i> | | 6,204 | 6,204 |
| Student Expenses | <i>By Project</i> | | 11,015 | 11,015 |
| Training | <i>By Project</i> | | 3,113 | 3,113 |
| Course Materials & Accreditation Costs | <i>By Project</i> | | 5,033 | 5,033 |
| Service User Welfare | <i>By Project</i> | | 21,068 | 21,068 |
| Service User Equipment | <i>By Project</i> | | 3,831 | 3,831 |
| Canteen Expenses | <i>By Project</i> | | 100 | 100 |
| Support Costs | | | 95,584 | 95,584 |
| Governance Costs | | | 11,137 | 11,137 |
| | | <u>13,627</u> | <u>784,546</u> | <u>798,173</u> |
| Restricted | | 13,627 | 404,575 | 418,202 |
| Unrestricted | | - | 379,971 | 379,971 |
| Total | | <u>13,627</u> | <u>784,546</u> | <u>798,173</u> |

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

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

10 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

| | | Support Costs | Governance Costs | Total 2023 |
|-------------------------------|-------------------|---------------|------------------|----------------|
| | | £ | £ | £ |
| Management & Admin Salaries | <i>Staff Time</i> | 53,039 | 5,893 | 58,932 |
| Computer Costs | <i>Direct</i> | 10,707 | | 10,707 |
| Subscriptions | <i>Direct</i> | 207 | | 207 |
| Minor Equipment | <i>Direct</i> | 1,220 | | 1,220 |
| Printing, Post and Stationery | <i>Direct</i> | 3,395 | | 3,395 |
| Book-keeping | <i>Direct</i> | 3,513 | | 3,513 |
| Payroll Costs | <i>Direct</i> | 2,118 | | 2,118 |
| Legal & Professional Fees | <i>Direct</i> | 621 | | 621 |
| HR Costs | <i>Direct</i> | 244 | | 244 |
| Insurance | <i>Direct</i> | 2,239 | | 2,239 |
| Sundry | <i>Direct</i> | 743 | | 743 |
| Depreciation | <i>Direct</i> | 21,944 | | 21,944 |
| Audit & Accountancy | <i>Governance</i> | | 5,040 | 5,040 |
| Bank Charges & Interest | <i>Governance</i> | | 908 | 908 |
| TOTAL | | 99,990 | 11,841 | 111,831 |
| Restricted Funds | | 68,882 | 5,254 | 74,136 |
| Unrestricted Funds | | 31,108 | 6,587 | 37,695 |
| Total | | 99,990 | 11,841 | 111,831 |

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

Included within audit and accountancy is £3,850 (2022 £3,840) 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 2023

| 11 STAFF COSTS | 2023 | 2022 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and Salaries | 523,158 | 540,605 |
| Social Security Costs | 43,841 | 43,199 |
| Redundancy Costs | 3,624 | 9,339 |
| Pension Costs | 22,693 | 26,269 |
| | <u>593,316</u> | <u>619,412</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 £122,002 (2022 £117,664).

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

was:

| | | |
|---------------------------------------|-----------|-----------|
| Management, Teaching & Administration | <u>23</u> | <u>26</u> |
|---------------------------------------|-----------|-----------|

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 Improvements | Plant & Equipment | Total |
|------------------------|---------------------------|----------------------|----------------|
| | £ | £ | £ |
| COST | | | |
| At 1 April 2022 | 153,170 | 64,158 | 217,328 |
| Additions | - | 9,547 | 9,547 |
| Disposals | - | (276) | (276) |
| At 31 March 2023 | <u>153,170</u> | <u>73,429</u> | <u>226,599</u> |
| DEPRECIATION | | | |
| At 1 April 2022 | 102,793 | 53,767 | 156,560 |
| Provided in the year | 12,306 | 9,639 | 21,945 |
| Disposals | - | (276) | (276) |
| At 31 March 2023 | <u>115,099</u> | <u>63,130</u> | <u>178,229</u> |
| NET BOOK VALUE | | | |
| At 31 March 2023 | <u>38,071</u> | <u>10,299</u> | <u>48,370</u> |
| At 31 March 2022 | <u>50,377</u> | <u>10,391</u> | <u>60,768</u> |

| 14 STOCK | 2023 | 2022 |
|---|-------------|-------------|
| | £ | £ |
| At lower of cost and net realisable value | <u>200</u> | <u>200</u> |

| 15 DEBTORS & PREPAYMENTS | 2023 | 2022 |
|-------------------------------------|---------------|----------------|
| | £ | £ |
| Trade Debtors | 14,145 | 34,342 |
| Accrued Income | 38,632 | 47,386 |
| Prepayments | 8,997 | 19,902 |
| | <u>61,774</u> | <u>101,630</u> |
| Restricted | 20,495 | 25,125 |
| Unrestricted | 41,279 | 76,505 |
| | <u>61,774</u> | <u>101,630</u> |

BACK ON TRACK MANCHESTER LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

| 16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | 2023 | 2022 |
|---|--|----------------|----------------|
| | | £ | £ |
| Trade Creditors | | 8,904 | 4,551 |
| Social Security and Other Taxes | | 11,997 | 11,477 |
| Accruals | | 8,097 | 13,153 |
| Deferred Income | | 95,307 | 122,773 |
| | | <u>124,305</u> | <u>151,954</u> |
| Restricted | | 65,875 | 131,853 |
| Unrestricted | | 58,430 | 20,101 |
| | | <u>124,305</u> | <u>151,954</u> |

| 17 DEFERRED INCOME | | 2023 | 2022 |
|---|--|---------------|----------------|
| | | £ | £ |
| Deferred Income comprises grants in advance. | | | |
| Balance as at 1st April | | 122,773 | 122,773 |
| Amount released to Income earned from charitable activities | | (122,773) | (101,302) |
| Amount deferred in year | | 95,307 | 101,302 |
| Balance at 31st March | | <u>95,307</u> | <u>122,773</u> |

| 18 ANALYSIS OF CHARITABLE FUNDS | Balance at 01-Apr-22 | Incoming | Transfers | Outgoing | Balance at 31-Mar-23 |
|--|-------------------------|----------------|-----------|------------------|-------------------------|
| | £ | £ | £ | £ | £ |
| Restricted Revenue: | | | | | |
| GM Integrated Rehabilitation Service - Welfare Programme | - | 62,511 | | (61,962) | 549 |
| Changing Futures | - | 44,488 | | (44,488) | - |
| Changing Futures - Other | - | 11 | | (11) | - |
| GM Probation - Dyslexia Project | - | 2,841 | | (2,841) | - |
| Inspiring Change Mcr - Flexible Fund | - | 660 | | (660) | - |
| Big Lottery - Reaching Communities | - | 76,862 | | (76,862) | - |
| Lottery - Awards for All | - | 10,000 | | (10,000) | - |
| Newby Trust | - | 20,000 | | (20,000) | - |
| Grand Trust | - | 42,190 | | (42,190) | - |
| Oglesby Charitable Trust | - | 33,648 | | (33,648) | - |
| IRS Service User Fund | - | 535 | | (535) | - |
| WEA | - | 15,219 | | (15,219) | - |
| MCC- Work Club | - | 7,330 | | (7,330) | - |
| Salford CVS- Gr Manchester Walking Func | - | 1,975 | | (1,975) | - |
| ARC Hospitality | - | 1,117 | | (1,117) | - |
| Edward Holt | - | 1,986 | | (1,795) | 191 |
| GMCVO - Trauma | - | 14,934 | | (14,934) | - |
| Just Life | 3 | 5,281 | | (5,284) | - |
| Henry Smith Charlty | - | 40,000 | | (40,000) | - |
| Salford CVS | 667 | - | | (667) | - |
| Beatrice Lalng | - | 1,500 | (356) | (1,144) | - |
| Capital: | | | | | |
| Gr.Manchester Combined Authorities | 17,502 | - | | (4,542) | 12,960 |
| The Grand Trust | 22,318 | - | | (6,504) | 15,814 |
| Help the Homeless | | 2,929 | | (732) | 2,197 |
| Gr Manchester Combined Auth - welfare | | 9,850 | | (5,778) | 4,072 |
| Beatrice Lalng | | | 356 | | 356 |
| | <u>40,490</u> | <u>395,867</u> | <u>-</u> | <u>(400,218)</u> | <u>36,139</u> |
| Unrestricted: | | | | | |
| General Funds | 205,143 | 452,471 | (714) | (406,695) | 250,205 |
| Designated Capital Funds | 20,947 | | 714 | (8,690) | 12,971 |
| | <u>226,090</u> | <u>452,471</u> | <u>-</u> | <u>(415,385)</u> | <u>263,176</u> |
| | <u>266,580</u> | <u>848,338</u> | <u>-</u> | <u>(815,603)</u> | <u>299,315</u> |

**BACK ON TRACK MANCHESTER LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

18 ANALYSIS OF CHARITABLE FUNDS CONT...

| Previous Year | Balance at 01-Apr-21 £ | Incoming £ | Transfers £ | Outgoing £ | Balance at 31-Mar-22 £ |
|--|------------------------------|----------------|----------------|------------------|------------------------------|
| Restricted Revenue: | | | | | |
| 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) | - |
| Achieve 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 Responsive 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 Hospitality | - | 255 | | (255) | - |
| Capital: | | | | | |
| 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> |
| Unrestricted: | | | | | |
| 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> |
| Total Funds | <u>312,068</u> | <u>784,925</u> | <u>-</u> | <u>(830,413)</u> | <u>266,580</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:

GM Integrated Rehabilitation Service
Changing Futures

towards a welfare programme
towards partnership work to better support those who experience multiple disadvantage

GM Probation Dyslexia Project

towards a project supporting those with dyslexia

Lloyds 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
Lottery - Awards for All

towards the Work Experience project at Back on Track
towards the Together for our Planet project

Newby Trust

towards the wellbeing programme

Gr. Manchester Combined Authorities

towards capital and related costs to make the centre Covid safe
and towards a welfare room

BACK ON TRACK MANCHESTER LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Purpose of Restricted Funds:

| | |
|---------------------------------------|--|
| Achieve Development Fund | towards "Inside and Out," a life skills course (with HMP Manchester) |
| WEA | towards education |
| Grand Trust | towards education |
| Oglesby Charitable Trust | towards the Learner Enrichment Coordinator role |
| IRS Service User Fund | to assist service users with items and experiences promoting welfare |
| Salford CVS | towards the Answer cancer and walking projects |
| 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 |
| Just Life | funding for partnership development work to strengthen organisational resilience |
| Henry Smith Charly | core funding |
| ARC Hospitality | advice and support to ARC in development of their employability programme |
| Beatrice Laing | towards catering equipment |
| Help the Homeless | towards café furniture |
| MMU Construction | funding for a course teaching DIY/construction skills |
| MCC Work Club | funding staff costs for a weekly work club, including job skills workshops and employer presentations |
| Edward Gostling Foundation | towards the general running of the catering project |
| Birmingham City Council 'Loan Sharks' | for a course on the dangers of loan sharks plus wider money and debt awareness |
| GMCVO Trauma | towards our Trauma Responsiveness project |
| GMCVO Emergency Care | for a programme of wellbeing activities for people struggling with isolation over the winter |
| GMCVO GM Walking | towards a walking wellbeing project |
| 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 2023 | Unrestricted Funds | Restricted Funds | Total 2022 |
|------------------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | £ | £ | £ | £ | £ | £ |
| Tangible Fixed Assets | 12,971 | 35,399 | 48,370 | 20,948 | 39,820 | 60,768 |
| Net Current Assets | 250,205 | 740 | 250,945 | 205,142 | 670 | 205,812 |
| Net Assets at 31 March | <u>263,176</u> | <u>36,139</u> | <u>299,315</u> | <u>226,090</u> | <u>40,490</u> | <u>266,580</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> |

**BACK ON TRACK MANCHESTER LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22 OPERATING LEASE COMMITMENTS

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

| | Equipment | Land and Buildings | Total | |
|---------------------|--------------|--------------------|----------------|----------------|
| | 2023 | 2023 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Within one year | 1,625 | 72,936 | 74,561 | 72,737 |
| Between 2 - 5 years | 4,468 | 258,894 | 263,362 | 337,923 |
| After 5 years | - | - | - | - |
| | <u>6,093</u> | <u>331,830</u> | <u>337,923</u> | <u>410,660</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 Gillian Patricia Drakeford.

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.

25 RELATED PARTIES

Swan Kitchens CIC was a wholly owned trading subsidiary of Back on Track Manchester Ltd, and was incorporated on 18th December 2019 and dissolved on 5th July 2022. The charity had 100% of the voting rights.

TRADING STATEMENT

| | Period Ended 18th January 2022 £ |
|--------------------------|---|
| Turnover | 30,268 |
| Cost of Sales | (11,069) |
| Gross Profit | 19,199 |
| Administrative Expenses | (36,044) |
| Other Operating Income | 16,846 |
| Profit (Loss) before Tax | <u>1</u> |

During the period to March 2022 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 2022 there were no outstanding balances. The company is limited by guarantee and no distribution was made in the period to 31st March 2022. Due to the impact of Covid 19 on the demand for event catering a decision was made to close the company. Amanda Paterson was a director of Swan Kitchens CIC and a trustee of Back on Track Manchester Ltd. These posts were held in a voluntary capacity and no payment is made for any services provided. Staff members Siobhan Pollitt and Kate Downes were directors of Swan Kitchens on behalf of Back on Track Manchester Ltd. No payment was 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.