

**THE ROWAN ORGANISATION
(Company Limited by Guarantee)**

REPORTS & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Company Number 2783681
(England and Wales)

Registered Charity Number 1017932

ARMSTRONGS BISHOP SIMMONS LIMITED
Chartered Accountants
Gethin House
36 Bond Street
Nuneaton
Warwickshire
CV11 4DA

THE ROWAN ORGANISATION (Company Limited by Guarantee)

Annual Trustees Report and Financial Statements for the year ended 31 March 2023

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THE ROWAN ORGANISATION (Company Limited by Guarantee)Annual Trustees Report for the year ended 31st March 2023

The trustees present their report and the audited financial statement for the year ended 31st March 2023. These comply with current statutory requirements and the charity's governing documents.

Reference and Administrative Information

Charity No.	1017932
Company No.	2783681
Registered Office Principal address	Unit 7 Colliers Way Old Arley Coventry CV7 8HN
Auditors	Armstrongs Bishop Simmons Limited Chartered Accountants and Statutory Auditors Gethin House 36 Bond Street Nuneaton Warwickshire CV11 4DA
Bankers	Santander Corporate Banking Bridle Road Bootle Merseyside L30 4GB
Solicitor	Mr David Dumbleton Rotherham & Co 8 & 9 The Quadrant Coventry CV1 2EG

In addition we have sought employment law advice from our insurers.

Senior Management Group

Chief Executive
Deputy Chief Executive

Mrs Deborah Houghton
Mrs Karen Smith

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The following Directors/Trustees have served on the Board of Management during the year:

Mrs A Forwood Chair
Mrs J Taylor (resigned 1 August 2023)
Ms D Cambray
Mrs D Clews
Cllr R Jarvis

Structure, Governance and Management
Governing document

The Rowan Organisation is a company limited by guarantee incorporated under Memorandum of Association on 26th January 1993, which established the objects and powers of the charitable company and is governed by its Articles of Association (Company Registration No.2783681) and registered as charity No.1017932 on March 2nd 1993.

Membership of the Rowan Organisation is open to all customers of the organisation and also to organisations affiliated to the Rowan Organisation. Currently there are 52 members on the register. Liability of members is limited to £1 in the event of the charity winding up.

It is not necessary to become a member of the organisation in order to access its services, however if individuals choose to become a member they become entitled to stand for election to represent customers on the Board of Management and to vote at the AGM.

Appointment of Trustees

As per our Articles of Association the members of the Board of Directors who are also Trustees of the charity are elected at the Annual General Meeting to serve a period of two years. The number of places on the Board is 21 of which 16 are representatives of service users and 5 are representatives of affiliated organisations. In addition there is provision to allow up to 4 co-options. The Board of Directors is authorised to appoint new directors to fill casual vacancies arising from unfilled positions or the retirement, resignation or death of an existing director.

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Trustees' induction and training

New trustees are provided with induction training and are issued with an induction pack with relevant documentations which includes details of the roles and responsibilities of charity trustees. Trustees are also given an opportunity to participate in training events organised for staff members and we have a number of core training modules and optional training modules which are open to all trustees. In addition, trustees attend relevant training seminars and conferences which are of interest to them and relevant to their role.

Organisation

Currently there are four members on the Board of Directors which aims to meet quarterly. The work of the Board is supported by two sub-committees, Finance & Development Committee and Personnel Committee. Sub-committees meet as necessary throughout the year but their normal frequency is quarterly. Trustees are encouraged to be a part of one or both of the sub-committees.

The Chief Executive is responsible for the day to day operation of the organisation and has the delegated authority for operational matters, within the policies and procedures of the organisation.

A copy of the Management Structure of the organisation is attached.

Related parties

The Rowan Organisation is funded in main by Local Authorities for the provision of services to disabled and older people, and by Clinical Commissioning Groups (CCGs) to support people in receipt of a Personal Health Budget. The Rowan Organisation is affiliated to a number of disability/charitable organisations. Likewise a number of disability/charitable organisations are affiliated members of the Rowan Organisation and these bodies can nominate representatives for election to the Board of Directors of the Rowan Organisation as stated above. A full list of affiliated organisations is available on request.

A number of Board members are in receipt of our services and therefore are beneficiaries of the services that the organisation provides on a normal service level basis. All our trustees are unpaid volunteers.

Aims, Objectives and Activities

The principal purpose of the organisation, as defined by the Memorandum of Association, is to support disabled and older people to further their independence. We are also committed to the empowerment of disabled and older people by supporting them to overcome the barriers, both physical and attitudinal

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Annual Trustees Report for the year ended 31st March 2023

which prevent them from being in control of their lives. The provision of direct payments support services enable disabled and older people to live more independently within the community and enable them to exercise more choice and control over the way that they live their lives.

We provide Support Planning and Brokerage Services, Direct Payments Support Services (Independent Living Schemes), Personal Health Budget Support Services, Advice & Information Services, Payroll Services, Managed Accounts, Training, Recruitment line, DBS Vetting Service and Personal Assistants (PA) registers.

Our current area of operation covers England and Wales.

Achievement and Performance

We continued to provide Direct Payments support and Personal Health Budget support services on behalf of a number of local authorities and CCGs.

Currently we are providing Direct Payments Support and/or associated services in Anglesey, Carmarthenshire, Bath & North East Somerset, Birmingham, Blackburn, Cambridgeshire, Cheshire, Conwy, Denbighshire, Derby, Derbyshire, Doncaster, Essex, Flintshire, Gloucestershire, Hillingdon, Lancashire, Leicester, Leicestershire, London, Merseyside, North East Lincolnshire, Norfolk, Northamptonshire, Nottingham, Nottinghamshire, Richmond, Rotherham, Sheffield, Slough, Staffordshire, Suffolk, Telford, Vale of Glamorgan, Warwickshire, Wiltshire, and Worcester.

We are providing employment support for patients who are in receipt of Personal Health Budgets and also support with their Payroll, Managed Accounts and DBS Vetting Services.

Areas we are currently working in are Bedfordshire, Luton & Milton Keynes, Birmingham – Cross City, Sandwell & West Birmingham, Birmingham & Solihull, Birmingham Mental Health Trust, Bolton, Buckinghamshire, Cambridgeshire & Peterborough, Coventry & Warwickshire, East Berkshire, Hertfordshire & West Essex, Herts Valley, Isle of Wight, Midlands & Lancashire, North Hertfordshire, Northampton, Nottingham, Nottinghamshire, Oxford, Shropshire, Slough, South West London, Staffordshire, Suffolk, Sutton, Telford, Tower Hamlets, Wandsworth, Warwickshire and Worcestershire.

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Public Benefit

The Rowan Organisation is committed to enabling disabled and older people to live independently and take control of their lives by providing support, advice and information. During the year over 2691 disabled people, including children, young people, older people and their carers, benefited from provision of our services as mentioned above. Our Information Service dealt with over 3000 queries during the year, this is in addition to the support provided by our locally based Independent Living Advisers. Our salary service provided payroll service to over 1700 customers and our Managed Accounts service has supported over 1200 accounts.

The provision of the above services, to eligible individuals, has been free at the point of delivery as per our funding agreement with Local Authorities and CCGs. However, in the majority of areas, some aspects of the services we provide are now funded directly from customers, or Personal Health Budget funding. Enabling individuals to have more choice over who provides their support and how it's delivered focusing on personal outcomes, which fits with our ethos by providing increased opportunity for choice and control.

Risk Management

As reported in previous years, we continue to benefit from our business interruption insurance cover as was proposed as part of our review of the Disaster Recovery Plan. We have evaluated the risks associated with the Pandemic throughout the year and have maintained our ongoing support to people in receipt of our services with minimal interruption to our services.

Finance Review

Our Chief Executive oversees the financial activity across the organisation. Our income and expenditure is monitored closely in order to maximise our assets and to reduce monies owed.

We continue to ensure that non-essential expenditure is reduced wherever possible. In addition, we have made efforts to maximize our income and have had to increase the cost of delivery of our services to the individuals that we support. This is always a difficult decision to take, however in order to ensure viability moving forwards, one that was absolutely necessary.

Unfortunately, we are showing a slight deficit on our accounts in this financial year. This is due to increases in the cost of delivery the services that we offer and ensuring that staff have received an increase in pay in line with national agreements. We are however, predicting an operating surplus in the next final year, which will eradicate this slight deficit.

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VAT Registration

All of our services are now chargeable at the standard rate of VAT.

Our VAT Registration No. 936687177

Investment Policy

The Board of Management has considered the most appropriate policy for investing funds and has determined that Santander provides us with sufficient banking provision. As our reserves increase over the coming years, we will again consider where best to invest these monies.

Reserves Policy

It is the company's policy to aim to have designated funds to meet the necessary expenditure when it arises and also to maintain adequate working capital. Our Reserves Policy clarifies our intention to maintain various reserves i.e. staff contingency, designated, restricted and general reserves.

Plans for the future

Our aim is to build on our reputation across the areas that we support and build on this in the surrounding areas.

Funds held as Custodian

All funds held on behalf of our customers are retained in their own individual accounts on the EML Services platform, specifically for the purpose of facilitating payments to customers, their Personal Assistants and to an ever increasing range of providers. The funding is received from Local Authorities and CCGs for the benefit of the individuals who are entitled to receive these payments, in line with each area's contractual agreements.

Trustees/Directors' Responsibilities

The trustees (who are also directors of The Rowan Organisation) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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Annual Trustees Report for the year ended 31st March 2023

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
 - the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
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Auditors

A resolution proposing that Armstrongs Bishop Simmons Limited, Chartered Accountants be re-appointed as auditors of the charitable company and to authorise the Board to fix their remuneration, will be put to the members at the Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the Statement of Recommended Practice — Accounting and Reporting by Charities and in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the directors and signed on their behalf:



Mrs A Forwood
Director/Trustee
Dated: 14 May 2024

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Independent Auditor's Report to the Trustees of The Rowan Organisation

Opinion

We have audited the financial statements of The Rowan Organisation (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet 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, including Financial Reporting Standard 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 charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including 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 Charities Act 2011.

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 charitable 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 trustees' 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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Our responsibilities and the responsibilities of the trustees 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 Annual Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Trustees Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 7 and 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such

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internal control as the trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach was as follows:

We assessed the risks of material misstatement in respect of fraud by making enquiries of management during the audit.

Based on the results of our risk assessment we designed our audit procedures to identify the non-compliance with such laws and regulations identified below.

We considered the risk of fraud in management override of controls and in response, we incorporated testing of the journal entries.

We also considered the risk of fraud in revenue recognition and in response, we incorporated testing of the accuracy and cut-off of deferred revenues as well as covering all the normal assertions (completeness, cut-off, existence/occurrence, accuracy, presentation and disclosure).

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We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant is that which relates to the Health and Safety at Work etc, Act 1974.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Armstrongs Bishop Simmons Limited

Armstrongs Bishop Simmons Limited
Statutory Auditor

Date: *14 May 2024*

Gethin House
36 Bond Street
Nuneaton
Warwickshire
CV11 4DA

Armstrongs Bishop Simmons Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Statement of Financial Activities (including Income and Expenditure Account)
for the year ended 31 March 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies					
Donations and sundry income		-201	-	-201	103
Charitable Activities					
Local Authorities Service					
Agreements/Grants	2	421,014	-	421,014	564,778
Income from Investments		1,195	-	1,195	195
Other					
Other income	2	344,787	-	344,787	362,337
TOTAL INCOME AND ENDOWMENTS		766,795	0	766,795	927,413
EXPENDITURE ON:					
Charitable activities:					
Direct Payments/Advice & Information Services	3	810,122	-	810,122	834,767
TOTAL EXPENDITURE		810,122	0	810,122	834,767
NET (EXPENDITURE)/INCOME	4	-43,327	0	-43,327	92,646
Reconciliation of funds:					
Total funds brought forward at 1 April 2022		24,369	0	24,369	-68,277
FUNDS CARRIED FORWARD AT 31 MARCH 2023		-18,958	0	-18,958	24,369

The statement of financial activities includes all gains and losses for the year. All income and expenditure derive from continuing activities.

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Balance Sheet as at 31 March 2023

	Notes	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible fixed assets	7		0		0
CURRENT ASSETS					
Stock		48		48	
Debtors	8	67,745		107,552	
Cash at bank and in hand		59,861		40,430	
		<u>127,654</u>		<u>148,030</u>	
CREDITORS - amounts falling due within one year	9	<u>-146,612</u>		<u>-123,661</u>	
NET CURRENT ASSETS			<u>-18,958</u>		<u>24,369</u>
NET ASSETS	10		<u><u>-18,958</u></u>		<u><u>24,369</u></u>
FUNDS					
Unrestricted funds:					
General		-18,958		24,369	
Designated					
		<u></u>	<u>-18,958</u>	<u></u>	<u>24,369</u>
Restricted funds	11		<u>0</u>		<u>0</u>
Total charity funds			<u><u>-18,958</u></u>		<u><u>24,369</u></u>

For the year ending 31st March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 14 May 2024 and signed on its behalf.



 Anne Forwood, Director

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Statement of Cash flows for the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flow from operating activities	12	18,236	(34,884)
Cash flows from investing activities			
Interest		1,195	195
Payments to acquire tangible fixed assets		-	-
Receipts from sales of tangible fixed assets		-	-
Net cash provided by investing activities		<u>1,195</u>	<u>195</u>
Change in cash and cash equivalents in the year		<u>19,431</u>	<u>(34,689)</u>
Cash and cash equivalent brought forward		40,430	75,119
Cash and cash equivalent carried forward		59,861	40,430

1) Summary of significant accounting policies

The following policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

a) General information and basis of preparation

The Rowan Organisation is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to support disabled and older people to further their independence.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 (FRS102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and the UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all years presented unless otherwise stated.

b) Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable the income will be received and the amount can be quantified with reasonable accuracy. Incoming resources from local authorities is accounted for as the charity earns the right to Consideration by its performance.

Voluntary income i.e gifts/donations are accounted for once the conditions for receipt have been met and there is a reasonable assurance of receipt. The value of services provided by volunteers is not included.

Investment income is included when receivable.

c) Funds

Restricted funds are to be used for specific purposes as laid down by the donor. However, there is no restricted funds in this financial year.

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Notes to the financial statements for the year ended 31 March 2023

c) Funds (continued)

Unrestricted funds are incoming resources receivable or generated for the objects of the Charity. Local Authorities funding/grants and any donations which does not have a condition imposed by the donor are treated as unrestricted funds.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Resources expended include attributable VAT which cannot be recovered. Any VAT recoverable under the partial exemption scheme is shown separately in note 3.

Expenditure are allocated to activities/cost centres to which it relates. Charitable expenditure comprise of those costs incurred by the charity in the delivery of its activities and its services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

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

Staff costs overheads expenses are allocated to activities on the basis of staff time spent on those activities.

e) Stock

Stock of purchased goods are stated at the lower of cost and estimated selling price less costs to complete and sell.

f) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on tangible fixed assets at rates calculated to write off the full cost less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Fixture and Fittings	7 years straight line
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Items which are under £ 1000 are written off in the year of their purchase as per Board of Management Policy.

THE ROWAN ORGANISATION (Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2023

g) Employee benefits

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

h) Deferred Income

Income where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of performance its recognition is deferred and included as creditors.

i) Going concern

The trustees have considered the working capital requirements for the period of 12 months from the date of this report and the level of funds held and the expected level of income and expenditure. The budgeted income and expenditure is sufficient with the level of reserves for the charity to continue its operations for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis for the preparation of the annual trustees report and accounts.

2) Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Local Authorities funding	421,014	-	421,014	564,778
Other Income				
DBS Vetting Service	17,441	-	17,441	21,895
Pension Charges	13,742	-	13,742	8,086
Miscellaneous	18,154	-	18,154	12,457
Advertising	7,950	-	7,950	9,600
Support etc	116,259	-	116,259	153,740
Payroll Service	171,241	-	171,241	154,152
Coronavirus job retention scheme grant	-	-	0	2,407
	<u>344,787</u>	<u>-</u>	<u>344,787</u>	<u>362,337</u>

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Notes to the financial statements continued for the year ended 31 March 2023

3) Total resources expended

		Direct Payment/ Advice & Information Services	Governance Costs	Total 2023 £	Total 2022 £
Staff costs	Staff time	610,626	-	610,626	668,671
LGPS Early retirement	Direct	-	-	0	0
Training (Staff & SFC)	Direct	458	-	458	1,096
Rent and service charge	Direct	10,258	-	10,258	9,379
Heat and light	Direct	-	-	0	0
Insurance	Direct	1,938	-	1,938	2,170
Telephone	Direct	6,421	-	6,421	7,579
Postage and stationery	Usage	13,854	-	13,854	17,365
Photocopying	Usage	1,539	-	1,539	931
Property refurbishment costs	Direct	-	-	0	0
Maintenance and cleaning	Usage	-	-	0	51
Licences	Direct	-	-	0	0
General expenses	Direct	304	-	304	876
Travelling expenses	Direct	16,476	-	16,476	12,285
Recruitment costs	Direct	846	-	846	0
Professional/Legal fees	Direct	-	-	0	500
Printing/Interpreting/Translation	Usage	-	-	0	0
Room hire	Usage	344	-	344	71
Hire purchase charges	Transaction	-	-	0	0
Bank charges	Transaction	4,714	-	4,714	1,730
Loss on disposal of assets		-	-	0	0
Depreciation of equipment	Usage	-	-	0	0
Depreciation of vehicles	Usage	-	-	0	0
VAT reimbursement	Direct	-20,907	-	-20,907	-24,581
Computer Subscription/maintenance	Direct	122,977	-	122,977	116,168
Equipment	Direct	645	-	645	441
Equipment hire	Direct	-	-	0	0
Computer equipment	Direct	118	-	118	338
Staff security/Welfare	Direct	1,048	-	1,048	1,032
DBS Vetting Service	Direct	7,341	-	7,341	9,665
Bad debt provision	Direct	13,500	-	13,500	0
Stolen monies	Direct	9,000	-	9,000	0
Support costs					
Management cost	Usage	-	-	-	-
Audit fees	Direct	8,622	-	8,622	9,000
Insurance	Usage	-	-	-	-
Telephone	Usage	-	-	-	-
Postage and stationery	Usage	-	-	-	-
Photocopying	Usage	-	-	-	-
Travelling expenses	Usage	-	-	-	-
Expenses	Usage	-	-	-	-
		<u>810,122</u>	<u>0</u>	<u>810,122</u>	<u>834,767</u>

THE ROWAN ORGANISATION (Company Limited by Guarantee)

Notes to the financial statements continued for the year ended 31 March 2023

4) Net incoming resources

	2023	2022
	£	£
This is stated after charging:		
Operating lease rentals	5,600	19,157
Auditors' remuneration		
In their capacity as auditors	7,800	7,800
For accountancy services	1,200	1,200

5) Staff costs

	2023	2022
	£	£
Salaries and wages	554,209	602,602
Social security costs	34,731	41,780
Pension costs	21,686	24,289
	<u>610,626</u>	<u>668,671</u>

No employee earned more than £60,000 per annum during the year.

No trustee or director received remuneration nor are accruing retirement benefits via the company defined benefit pension scheme. Travel cost and expenses amounting to £nil (2022 £nil) were incurred for 0 (2022 0) members of the management committee.

There was 21 members of staff accruing benefits under auto-enrolment.

The average number of employees during the year, calculated on the basis of full time equivalents analysed by function was as follows:

	2023	2022
Advice and information	9	9
Administration and finance	19	19
Managerial	2	7
Technical support	0	0
Apprentices	0	0
	<u>30</u>	<u>35</u>

The total amount paid to key management personnel is £93,157 (2022 £105,056). The Charity consider its key management personnel to comprise of the chief executive and deputy chief executive.

THE ROWAN ORGANISATION (Company Limited by Guarantee)

Notes to the financial statements continued for the year ended 31 March 2023

6) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

7) Tangible fixed assets

	Fixtures & Fittings £	Total £
Cost		
At 1 April 2022	170,436	170,436
Additions	-	0
Disposals	-	0
	<hr/>	<hr/>
At 31 March 2023	170,436	170,436
Depreciation		
At 1 April 2022	170,436	170,436
Charge for the year	-	0
On disposals	-	0
	<hr/>	<hr/>
At 31 March 2023	170,436	170,436
Net book value		
At 31 March 2023	<hr/> <hr/> 0	<hr/> <hr/> 0
At 31 March 2022	<hr/> <hr/> 0	<hr/> <hr/> 0

8) Debtors

	2023 £	2022 £
Trade debtors	56,214	94,697
Other debtors	10,331	10,331
Prepayments	1,200	2,524
	<hr/>	<hr/>
	67,745	107,552
	<hr/> <hr/>	<hr/> <hr/>

9) CREDITORS - amounts falling due within one year

	2023 £	2022 £
Trade creditors	36,197	7,257
Other taxes and social security costs	40,489	28,488
Other creditors	69,926	87,916
	<hr/>	<hr/>
	146,612	123,661
	<hr/> <hr/>	<hr/> <hr/>

THE ROWAN ORGANISATION (Company Limited by Guarantee)

Notes to the financial statements continued for the year ended 31 March 2023

10) Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	0	-	-	0
Current assets	127,654	0	0	127,654
Current liabilities	-146,612	-	-	-146,612
Long term liabilities	0	-	-	0
Net assets at 31 March 2023	<u>-18,958</u>	<u>0</u>	<u>0</u>	<u>-18,958</u>

11) Movement in funds

	At 1 April 2022 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2023 £
Unrestricted funds:					
General funds	<u>24,369</u>	<u>766,795</u>	<u>-810,122</u>	<u>-</u>	<u>-18,958</u>
Designated funds					
Vehicle replacement		-	-		0
Equipment replacement		-	-		0
Staff Contingency		-	-		0
Running and salary costs		-	-		0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total unrestricted funds	24,369	766,795	-810,122	0	-18,958
Restricted funds:	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>	<u>0</u>
Total restricted funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>	<u>0</u>
Total funds	<u><u>24,369</u></u>	<u><u>766,795</u></u>	<u><u>-810,122</u></u>	<u><u>-</u></u>	<u><u>-18,958</u></u>

THE ROWAN ORGANISATION (Company Limited by Guarantee)

Notes to the financial statements continued for the year ended 31 March 2023

Purpose of Designated Funds

Currently there are no designated funds.

Purpose of Restricted Funds

Currently there are no restricted funds.

12) Reconciliation of net movements in funds to net cash flow from operating activities

	2023	2022
	£	£
Net movement in funds	(43,327)	92,646
Add back depreciation charge	0	0
Deduct interest income shown in investing activities	(1,195)	(195)
Loss on disposal of tangible fixed assets	0	0
(Increase)/Decrease in debtors	39,807	(35,395)
Increase/(Decrease) in creditors	22,951	(91,940)
Net cash used in operating activities	<u>18,236</u>	<u>(34,884)</u>

13) Lease commitments

The charitable company has non cancellable operating lease with an annual commitment expiring:

	2023	2022
	£	£
Buildings		
- within one year	5,600	9,722
- within two to five years	-	4,122
- over five years	-	-
	<u> </u>	<u> </u>

14) Deferred income

	£
At 1 April 2022	47,989
Additions during the year	51,520
Amounts realised to income	<u>-47,989</u>
At 31 March 2023	<u>51,520</u>

14) Pension Commitment

The Rowan Organisation operated a funded pension scheme, established under Warwickshire County Council Pension Fund, providing benefits based on final salary up until 31 March 2018.

The assets of the scheme are held separately from those of the charity.

At 2016, the pension scheme was 82% funded and there was a deficit recovery period over 19 years to make that up to 100% funded. The common employer contribution rate if the scheme was 100% funded is 29.2%, however The Rowan Organisation was paying an employer contribution rate of 31.4% which included an element of deficit recovery.

From 31 March 2018, The Rowan Organisation is an exited scheme employer. Therefore, there are no employees contributing to the scheme from that date. The Pension Fund instructed its actuary to calculate an exit payment in accordance with Regulation 64 of the Local Government Pension Scheme Regulations 2013. The exit payment due to the Pension Fund from the Rowan was £993,000. As the Rowan is unable to pay the exit payment, the Pension Fund have entered into a legal agreement with the Rowan and the County Council (as guarantor) to confirm that the County Council will meet the outstanding liabilities regarding the exit payment in place of the Rowan. The Rowan still remain liable for the outstanding early retirement strain payment of £28,812.18 and entered into a repayment agreement with the pension fund to repay this from 1 February 2021 by 115 instalments of £250 and a final instalment of £62.18. At 31 March 2023 £22,562.18 was outstanding.

Following the closure of the Local Authority final salary pension scheme, all new employees, were offered a stakeholder pension scheme instead. Any existing employees who have not joined a pension scheme as yet and the employees who were formerly in the Local Authority pension scheme will be able to join the new auto enrolment scheme if they so choose.

The pension cost and charge represents contributions payable by the charity to the fund, to the stakeholder pension scheme and to the new auto enrolment scheme. The contributions amounted to £21,686 (2022 £24,289). At 31 March 2023 £262 was outstanding (2022 £3,134)

15) Related Party Disclosures

During the year ended 31 March 2023, management services amounting to £610 were provided to Tro@ Limited, the profit making arm introduced to support the charitable aims of the Organisation. Mrs D Houghton and Mrs K Smith, the chief executive and deputy chief executive respectively of the Rowan Organisation are also directors of Tro@ Limited. At 31 March 2023 £1,505 was owed to The Rowan Organisation.

The Rowan Organisation

Personnel Sub-Committee

Chair: Anne Forwood

Finance and Development Sub-Committee

Chair: Anne Forwood

Board of Management

Chair: Anne Forwood

Personal Health

Budgets Lead
Steve Cotton

DP Locality Projects

Staffordshire
Suffolk

Chief Executive

Debbie Houghton

Deputy Chief Executive

Karen Smith

Personal Health

Budgets
Bedfordshire
Luton & Milton Keynes
Birmingham – Cross
City

Information Service

Personal Health

Budgets Conit
Midlands & Lancashire
North Hertfordshire
Northampton
Nottingham
Nottinghamshire
Oxford

Head Office Services

HR & Personnel
Training
Charity Administration
IT

DP Locality Project

Conwy

North Wales Payroll & Managed Accounts

Anna Jones

Organisational Finances

Head Office Services

Recruitment Line
DBS Vetting Service
Administration Support

Bolton
Buckinghamshire
Cambridgeshire & Peterborough
Coventry & Warwickshire
East Berkshire
Hertfordshire & West Essex
Herts Valley,
Isle of Wight

Shropshire

Slough

South West London

Staffordshire

Suffolk

Sutton

Telford

Tower Hamlets

Wandsworth

Warwickshire

Worcestershire

Board of Management

Senior Management

Direct Payment Support

Health Budgets

Core Services