

Company number:
1461799
Charity number:
509514

Liverpool Roots Trust Limited
(A COMPANY LIMITED BY GUARANTEE)
Financial Statements

5 April 2021

Liverpool Roots Trust Limited
Report and accounts
Contents

	Page
Charity reference and administrative details	1
Trustees' report	2 to 4
Independent examiner's report	5
Statement of Financial Activities	6
Balance sheet	7
Statement of Cash Flows	8
Notes to the accounts	9 to 13
Not for publication: Detailed profit and loss account	14

Liverpool Roots Trust Limited
Charity reference and administrative details

Trustees

T Gillson
P Morgan
B R Robinson

Secretary

A F Cunliffe

Independent Examiner

Stephen Clayton
S Clayton Ltd
28 Church Road
Rainford
St. Helens
Merseyside
WA11 8HE

Bankers

HSBC
99-101 Lord Street
Liverpool
L2 6PG

Santander UK plc
Customer Service Centre
Bootle
Merseyside
L30 4GB

Registered office

36/42 Soho Street
Liverpool
Merseyside
L3 8AE

Company registered number

1461799

Charity number

509514

Liverpool Roots Trust Limited

Registered number: 1461799

Trustees' Report

The trustees (who are also directors of the company for the purposes of company law) present their annual report together with the accounts of the charity for the year ended 5th April 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and accounts of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 United Kingdom and Republic of Ireland published on 16th July 2014 (as amended by Update Bulletin 1 published on 2nd February 2016)

Objectives and activities

The company's principal activity during the year continued to be that of a Day Resource Centre for persons who have social and mental health problems

The charity is organised so that the trustees meet regularly to manage its affairs. There is a full time manager, one part time assistant plus a number of volunteers who run and administer the day centre.

Trustees

The following persons have served as trustees of the charity during the year:

T Gillson

P Morgan

B R Robinson

Public benefit

The trustees have had due regard to the guidance published by the Charity Commission on public benefit.

Chairman's Report

The year has been totally dominated by the impact of the Coronavirus and the subsequent enforced shut-down of our centre. Thanks largely to the continued support we received from Liverpool City Council, and other donors, we were however still able to carry out an effective alternative service, albeit on a much less personal level. Our staff kept contact with our service users through regular phone conversations and socially distanced person to person meetings whenever safe and feasible, offering advice and support in any way possible. Assistance with GP and hospital appointments, advice on utility bills, phone contract issues, and many other personal issues were covered. Obviously the impact of the virus has had an enormous affect on everybody, but for individuals with mental health issues it was a particularly difficult time. People with mental health concerns require the type of support which only person-to-person contact can provide, in surroundings that they are familiar with, and in which they feel totally at ease and confident enough to discuss their mental health issues openly with trained staff. But the lock-down engendered a lack of opportunity to meet with peer groups, and discuss their experiences with fellow service users, which plays an essential role along the lengthy road to recovery.

Liverpool Roots Trust Limited

Registered number: 1461799

Trustees' Report

Contrary to current commissioning trends, I believe that there is still an important role for progressive day centres like Roots, which offer a high quality service and a safe haven or 'touch base'; where service users feel relaxed and confident enough to discuss their mental health issues openly, without fear of ridicule.

Roots' pathway and ethos remains the same: The future for mental health services has to be service-user led, with particular emphasis on the needs of the individual tailored into programmes that will benefit them in attaining a positive frame of mind, capable of coping with the demands of modern society, which only small intimate day services can provide. It remains vital that these services continue to be properly funded and appreciated, because if they are discontinued they will be lost forever!

It is our hope in that in future we will be able to continue to provide our service with a long-term commitment to our service users and carers. But this is of course highly dependant on our ability to attract the necessary funding.

My thanks, as ever, go to our centre Manager, Ann Cunliffe, and her staff for their untiring dedication and hard work, often well beyond their remit, during a unique and extremely challenging year.

Financial review

The accounts show total income for the year amounting to £72,978 (2020: £75,955)

Total expenditure for the year amounted to £66,997 (2020: £78,444)

As a result, the accounts show a surplus of £5,981 (2020: deficit £2,489) increasing unrestricted funds at 5th April 2021 to £95,664 (2020: £89,683).

Reserves policy

The present level of reserves is considered adequate to support the continuation of the day centre for the medium term and the trustees consider the financial position of the charity to be satisfactory.

Governing document

The charity is a company limited by guarantee and was incorporated on 19th November 1979. It was registered as a charity on 14th February 1980 and is governed by its Memorandum and Articles of Association.

Risk management

The trustees have assessed the major risks to which the charity is exposed and have taken steps to mitigate those risks to an acceptable level.

Trustees responsibilities in relation to the financial statements

The trustees (who are also directors of Liverpool Roots Trust Limited 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).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

Liverpool Roots Trust Limited
Registered number: 1461799
Trustees' Report

In preparing those financial statements the trustees are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) observe the methods and principles in the Charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue to operate.

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

Approval

This report was approved by the Board of Trustees on 18 January 2022 and signed on its behalf.

B R Robinson
Chairman



Liverpool Roots Trust Limited

Independent examiner's report to the trustees of Liverpool Roots Trust Limited for the year ended 5th April 2021

I report to the trustees of the charity on my examination of the accounts of the company for the year ended 5th April 2021 which are set out on pages 6 to 13.

Responsibilities and basis of report

As trustees of the charity (and directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with my examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Stephen Clayton FCCA
S Clayton Ltd
Rainford
St. Helens

18 January 2022

**Liverpool Roots Trust Limited
Statement of Financial Activities
for the year ended 5 April 2021**

Summary Income and Expenditure Account

	Notes	Unrestricted funds	
		2021 £	2020 £
Income from:			
Charitable activities	2	72,777	75,027
Investments	3	201	198
Other		-	730
Total income		<u>72,978</u>	<u>75,955</u>
Expenditure on:			
Charitable activities	4	66,997	78,444
Total expenditure		<u>66,997</u>	<u>78,444</u>
Net income / (outgoing) for the year		5,981	(2,489)
Total funds brought forward		89,683	92,172
Total funds carried forward		<u><u>95,664</u></u>	<u><u>89,683</u></u>

All income and expenditure relates to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Liverpool Roots Trust Limited

Registration number: 1461799

**Balance Sheet
as at 5 April 2021**

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	9	12,994	13,992
Current assets			
Debtors	10	7,083	12,553
Cash at bank and in hand		<u>79,007</u>	<u>67,442</u>
		86,090	79,995
Creditors: amounts falling due within one year	11	(3,420)	(4,304)
Net current assets		<u>82,670</u>	<u>75,691</u>
Net assets		<u><u>95,664</u></u>	<u><u>89,683</u></u>
Funds			
Unrestricted funds		95,664	89,683
Total funds		<u><u>95,664</u></u>	<u><u>89,683</u></u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the trustees on 18th January 2022 and authorised for issue and signed on their behalf by:

B R Robinson
Director



Liverpool Roots Trust Limited
Statement of Cash Flows
Year ended 5th April 2021

	Notes	2021 £	2020 £
Net cash flow from operating activities	14	11,364	(5,160)
Cash flow from investing activities			
Interest receivable	201		198
Purchase of fixed assets	-		(185)
Net cash flow from investing activities		201	13
Net increase / (decrease) in cash and cash equivalents		11,565	(5,147)
Cash and cash equivalents at start of the year		67,441	72,588
Cash and cash equivalents at end of the year		79,006	67,441
Cash and cash equivalents comprise:			
Cash at bank		78,942	67,377
Cash in hand		64	64
		79,006	67,441

Liverpool Roots Trust Limited
Notes to the Accounts
for the year ended 5 April 2021

1 Accounting policies

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 (FRS 102) issued on 16th July 2014 (as updated by Update Bulletin 1 published on 2nd February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared on a going concern basis and under the historical cost convention. The financial statements have been prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

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

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to special performance conditions and is recognised as earned as the related services are provided. Grant income included in this category provides funding to support performance activities and is recognised when there is entitlement, certainty of receipt and the amounts can be measured with sufficient reliability.

Investment income is earned through holding assets for investment purposes such as bank deposits. It essentially includes interest which is recognised using the effective interest method.

Liverpool Roots Trust Limited
Notes to the Accounts
for the year ended 5 April 2021

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. It is categorised under the following headings:

Expenditure on charitable activities includes costs associated with provision of a day resource centre for persons who have social and mental health problems.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

Support costs allocation

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities and includes office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the charity's registered office.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life, as follows:

Buildings	5% straight line
Equipment and motor vehicle	25% reducing balance

The building has been written down to its estimated land value of £10,000. No further depreciation is to be provided on this asset.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment is recognised in expenditure.

Tax

The charity is an exempt charity within the meaning of the Charities Act 2011 and is considered to meet the definition of a charitable company for UK corporation tax purposes.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short term liquid investments.

Going concern

The worldwide COVID-19 pandemic has had a dramatic impact on the Global, National and Local economies. During the lockdown the Trust has been able to stay open with social distancing and hygiene restrictions in place. The funding from Liverpool City Council remains in place and we anticipate that this will remain. Subject to the continuance of favourable support from the Council and in the absence of any other material uncertainties and after considering the expected level of income and expenditure for twelve months from authorising these financial statements, the trustees believe that the charity will be able to continue as a going concern.

Liverpool Roots Trust Limited
Notes to the Accounts
for the year ended 5 April 2021

VAT

The company is exempt for VAT purposes, therefore the figures shown in the accounts are included as gross.

2 Income from charitable activities	2021 £	2020 £
Grants receivable	72,381	68,935
Day care receipts	396	6,092
	<u>72,777</u>	<u>75,027</u>
3 Income from investments	2021 £	2020 £
Interest receivable on cash deposits	201	198
	<u>201</u>	<u>198</u>
4 Analysis of expenditure on charitable activities	2021 £	2020 £
Activities undertaken directly:		
Food and outings	-	167
Heat and light	1,151	1,755
Repairs and maintenance	66	526
Staff costs	52,022	54,506
Motor expenses	1,655	2,717
Insurance, security and water charges	4,220	5,864
IT software and consumables	-	80
Other day centre running costs	<u>5,052</u>	<u>9,651</u>
	64,166	75,266
Support costs:		
Depreciation	998	1,320
Governance costs (see note 5)	<u>1,833</u>	<u>1,858</u>
	2,831	3,178
Total expenditure on charitable activities	<u>66,997</u>	<u>78,444</u>
5 Governance costs	2021 £	2020 £
Independent examiners costs	1,833	1,858
	<u>1,833</u>	<u>1,858</u>

Liverpool Roots Trust Limited
Notes to the Accounts
for the year ended 5 April 2021

6 Net outgoing / income for the year	2021	2020
This is stated after charging:	£	£
Depreciation of tangible fixed assets	998	1,320
Independent examiners costs	1,833	1,858
	<hr/>	<hr/>
7 Staff costs and employee benefits	2021	2020
	£	£
Wages and salaries	49,107	49,109
Benefits in kind	4,267	12,414
Social security costs	2,065	4,378
Other pension costs	850	1,019
	<hr/>	<hr/>
	56,289	66,920

No employee received total benefits at the rate of £60,000 (2020: £60,000), or more per annum.

The average number of employees during the year was 2 (2020: 2).

8 Trustees' and key management personnel remuneration and expenses

Under a provision in the company's Memorandum of Association, Mr. B R Robinson, a trustee of the charity, was paid £14,549 (2020: £14,549) during the year for services rendered to the charity.

The trustees did not have any expenses reimbursed during the year (2020: £nil).

The total amount of employee benefits received by key management personnel in the year was £38,825 (2020: £46,974). The trust considers its key management personnel to comprise the Centre Manager.

9 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Motor vehicles £	Total £
Cost				
At 6 April 2020	27,997	185	18,019	46,201
At 5 April 2021	<hr/> 27,997	<hr/> 185	<hr/> 18,019	<hr/> 46,201
Depreciation				
At 6 April 2020	17,997	39	14,173	32,209
Charge for the year	-	37	961	998
At 5 April 2021	<hr/> 17,997	<hr/> 76	<hr/> 15,134	<hr/> 33,207
Net book value				
At 5 April 2021	<hr/> 10,000	<hr/> 109	<hr/> 2,885	<hr/> 12,994
At 5 April 2020	<hr/> 10,000	<hr/> 146	<hr/> 3,846	<hr/> 13,992

Liverpool Roots Trust Limited
Notes to the Accounts
for the year ended 5 April 2021

10 Debtors	2021	2020
	£	£
Accrued income	6,032	11,557
Prepayments	1,051	996
	<u>7,083</u>	<u>12,553</u>

11 Creditors: amounts falling due within one year	2021	2020
	£	£
Taxation and social security costs	1,242	1,335
Accruals and deferred income	2,178	2,969
	<u>3,420</u>	<u>4,304</u>

12 Pension commitments

The charity operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge in these accounts represents contributions paid by the charity to the defined contribution scheme which amounted to £850 (2020: £1,019).

13 Related party transactions

There were no related party transactions during the year (2020: £nil).

14 Reconciliation of net income for the year to net cash flow from operating activities.	2021	2020
	£	£
Net income / (outgoing) for the year	5,981	(2,489)
Interest receivable	(201)	(198)
Depreciation of tangible fixed assets	998	1,320
Decrease / (increase) in debtors	5,470	(5,186)
(Decrease) / increase in creditors	(884)	1,393
	<u>11,364</u>	<u>(5,160)</u>
Net cash flow from operating activities		