

COMPANY NUMBER: 3860803  
CHARITY NUMBER: 1091544

# **SAFENET DOMESTIC ABUSE SERVICE**

**Report and Financial Statements**

**Year ended 31 March 2016**

## Contents

	<b>Page</b>
Directors, Executive Officers, Advisors and Bankers	1
Directors' Report	2 – 7
Independent Auditor's Report	8
Statement of Financial Activities	9
Statement of Financial Position	10
Notes to the Financial Statements	11 - 16

## **Directors, Executive Officers, Advisors and Bankers**

### **Board**

**Chair** K Ainsworth

**Vice Chair** S Livesey

**Other Directors** J.M. Davies  
S.E. Mayor  
R Horman  
J Cooper (resigned 17 May 2015)

### **Executive Officers**

**Charity Manager and Company Secretary** H.J.Gauder

**Registered Office** Centenary Court  
Croft Street  
Burnley  
BB11 2ED

### **External Auditor**

Beever & Struthers  
Chartered Accountants and Business Advisors  
St George's House  
215-219 Chester Road  
Manchester  
M15 4JE

### **Solicitors**

Forbes Solicitors  
Rutherford House  
4 Wellington Street  
St. Johns  
Blackburn  
BB 8DD

### **Bankers**

Yorkshire Bank  
25 Manchester Road  
Burnley  
Lancashire  
BB11 1HX

## Report of the Directors

The Board is pleased to present its report along with the financial statements for the year ended 31 March 2016. This report incorporates the requirements of the Trustees' Annual Report.

### Objectives and Activities

The charity protects victims and survivors of domestic violence and abuse from further harm. It provides services to support victims and survivors; and works to prevent violence and abuse, and to promote safe and healthy relationships.

SafeNet Domestic Abuse Service ("SafeNet") provides temporary emergency accommodation and community based support services to women and children experiencing domestic violence. The key priorities for the charity during the year 2015/16 were:

#### *SafeNet Services to Victims of Domestic Abuse:*

SafeNet Refuges in Burnley, Lancaster and Preston operated 24 hours a day, responding to emergency referrals from partner agencies, admitting women and their children and supporting them throughout their stay at the Refuge. The Support Service provided emotional and practical support to enable women to move away from abusive relationships and successfully resettle within the community. In Burnley, SafeNet also delivered accommodation in separate 'SafeHouses' which offer a safe place to a wider variety of victims who may not be able to access a place in the communal refuge ie those with higher level dependency issues, mental health needs and also male victims of abuse.

Burnley's Community Based Support Services offered support to adult and child victims and survivors of abuse in the community, including a helpline service and drop-in support surgeries at various community venues. In Lancaster we offered direct Early Support Services to children and young people at risk of serious harm of abuse.

Both the Refuge and the Community Based Services included provision for women and children with:

- additional health needs (including mental health issues, self-harming behaviours, substance misuse and dependency issues, sexual and reproductive health issues and issues relating to physical disability).
- specialised, cultural sensitive support needs – for minority ethnic women and children to overcome language barriers and support different lifestyles and cultures.
- children's needs- services to children who are resident in the refuge, and those in the community which meet their emotional, psychological, physical, social and educational developmental needs.

All individual and group work with children is designed:

- to address emotional health needs.
- develop children's potential through building self-esteem, confidence and opportunities
- to take into account the unique circumstances of the individual child, and is based on the core principles of a client centred approach and ethos.

#### *Inter-Agency Working*

We contribute effectively to inter-agency working in Lancashire, leading work in a number of areas. We work to raise the profile of the charity; to promote awareness of domestic abuse and the range of services available.

#### *Finance and Resource Management*

We manage our finances to ensure that Safenet has sufficient funds to maintain core services in the short and long term, and ensure that all SafeNet premises, resources and working practices meet recognised standards for quality, security and health and safety.

#### *Development of Organisation and Staff*

We maintain an effective management and staffing structure, ensure that staff and volunteers have the knowledge and skill to deliver excellent services as required, and to provide quality work placements for students. Also to help management board members govern effectively, set clear strategy, and monitor organisational effectiveness.

#### *Growth*

SafeNet's Growth Strategy concentrates on the maintenance of existing services in East Lancashire; establishment and subsequent consolidation of our North Lancashire operations; and further expansion in Burnley in conjunction with the property owning strength and expertise of the Calico Group:

#### Growth Targets 2015 – 2016

Our key objectives over the course of this Plan reflect the challenges we face and include:

#### 1 Maintain existing SafeNet services:

- Retain Supporting People contracts for accommodation based services.
- Retain Lancashire County Council contracts for both community based services and children & young peoples services.
- Other short-term funded services.

## Report of the Directors (cont.)

- 2 Extend and expand SafeNet specialist services in Lancashire and beyond, to support more victims and survivors of abuse:
  - Tender to deliver new domestic abuse services where viable.
  - Extend the provision of dispersed 'safe houses', adding a further two dispersed units, bring us up to five in total, with a minimum of one of those in Lancaster.
  - Establish the provision of an accommodation based service for women with complex needs including alcohol and drug use, mental health challenges, etc.
  - Establish a project to focus on increasing SafeNets capacity to grow, raise significant funds for services and develop our volunteer capacity.

### Public Benefit

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

The Company undertakes and manages its activities in line with the above objectives through the provision of support contracts. The directors receive regular updates on performance and feel that the objectives have been achieved as set out in the next section.

### Achievements and Performance

SafeNet has achieved its targets for 2015 -16 as follows:

- 1 Maintain existing SafeNet services:
  - **Retain Supporting People contracts for accommodation based services**  
ACHIEVED, contract retained for a further year by Lancashire County Council until end March 2017, when Supporting People ceases to exist.
  - **Retain Lancashire County Council contracts for both community based services and children & young peoples services**  
ACHIEVED. The contract was awarded to Safer Lancashire consortia of which SafeNet were a member. SafeNet were re-commissioned to deliver community based support services via the IDVA contract to high and medium risk victims/survivors from June 2014 to June 2016. This has since been extended to March 2017.
  - **Other short-term funded services**  
ACHIEVED. During 2015-16, SafeNet successfully maintained various short term funded services, including service for children & young people through Children in Need and the substantial donation of funds from Rochdale Women's Refuge Association for a schools project.
- 2 Extend and expand SafeNet specialist services in Lancashire and beyond, to support more victims and survivors of abuse
  - **Tender to deliver new domestic abuse services where viable**  
ACHIEVED. SafeNet tendered to deliver refuge services in Preston and were awarded the commission to deliver refuge accommodation support services which started in July 2015. During this period, SafeNet also tendered to deliver new IDVA Services in both Kirklees and Blackpool. Whilst the Kirklees tender was not successful, Blackpool was, and whilst the commission was secured in this period, the service began in the next financial year.
  - **Extend the provision of dispersed 'safe houses', adding a further two dispersed units, bring us up to five in total, with a minimum of one of those in Lancaster**  
ACHIEVED. SafeNet has six safehouses in operation, and is continuing to develop more. Lancaster safe-house will be operational in July 2016.
  - **Establish the provision of an accommodation based service for women with complex needs including alcohol and drug use, mental health challenges, etc.**  
ACHIEVED. SafeNet's new Recovery Refuge progressed, funds were secured by Calico Homes for capital funds for the new purpose build complex needs project.
  - **Establish a project to focus on increasing SafeNets capacity to grow, raise significant funds for services and develop our volunteer capacity**  
ACHIEVED and on-going.

## Report of the Directors (cont.)

This is our fifth year as a subsidiary of The Calico Group, and the partnership is beneficial to both organisations. We continue to work closely to harmonise our organisations strategically via shared goals and policies and procedures as we work to strengthen our position in relation to existing contracts and future proposals to extend domestic violence services.

We continue to build on our previous success and maintain high standards in our provision of supported housing. Demand for our service remains consistently high. We offered an established service based on best practice, providing guidance and inspiration to others in the field.

During 2015/16 the charity worked to ensure that high quality services were maintained and that developments were planned and continued to be adequately resourced in priority areas. All objectives were either fully or partially met, with some as on-going work areas.

### Best Companies

In February 2016, Calico became the 16<sup>th</sup> (2015: 41<sup>st</sup>) Best Company to work for in the Sunday Times top 100. The survey included staff from Calico Homes, Calico Enterprise, Acorn, Ringstones and SafeNet. It was a fantastic achievement for all companies in the Calico Group and demonstrates our success as an employer of choice.

### Staff Performance

SafeNet existing staff team has been stable during this year, with a low turnover of staff. SafeNet extended its staff team to include a dozen new staff in Preston and also prepared for the team to expand to include a new TUPE'd team from Blackpool who arrived in the next financial year. Reflecting our organisation's ethos of being 'run by women, for women', and as set out in our governing documents, our staff team continues to be women only. Our team is diverse, with a wide range of staff from different backgrounds and with different language skills. Sickness levels are low which gives an indication of a motivated team.

### Financial Review

The income, expenditure and resulting deficit £50,000 (2015: surplus £8,000) and the company's financial position at the end of the year £866,000 (2015: £916,000) are shown on pages 9 and 10 of the financial statements.

As in previous years, we have provided high quality supported housing for women and children escaping domestic abuse, in East and North Lancashire areas, and this year we extended our remit to include central south Lancashire areas too with our new service in Preston. Demand for our services remains consistently high.

We have worked hard to raise funds for our children's services and to build links with local schools, though identifying funding for additional support for children this has become increasingly difficult. Funds donated by Rochdale Women's Refuge Association when they closed, have been utilised well through SafeNet School Project, to provide direct support to children and young people in local schools, who are living with domestic abuse, however, this is coming to an end.

### Plans for Future Periods

#### Priorities and Targets for 2016 – 2017

Our key objectives include:

- 1 Maintain existing SafeNet services:
  - **Maintain Refuge Services:** reshape and restructure refuge services in light of serious cuts to funding and ensure continues viability; replace lost funding (SP & DCLG) by maximising income through HB's; utilise 'intensive housing management' to cover cost of housing management tasks for accommodation based services; identify alternative sources of funding to replace remaining costs ie Lottery Bid and working with trusts such as Henry Smith and Volant.
  - **Retain Lancashire County Council contracts** for both community based services and children & young peoples services.
  - **Retain the Blackpool IDVA Service** when tendered in 2017, and work closely with Blackpool Council to help shape the future of Blackpool Services.
  - Achieve continuation funding (a further 3 years) from **Children In Need** for Burnley Refuge Children's Services early 2017.
- 2 Extend and expand SafeNet specialist services in Lancashire and beyond, to support more victims and survivors of abuse
  - Tender to deliver new domestic abuse services where viable.
  - Extend the provision of dispersed 'safe houses', adding a further two dispersed units, bring us up to eight in total, with a minimum of one of those in Lancaster.
  - Establish the provision of an accommodation based service for women with complex needs including alcohol and drug use, mental health challenges, etc...
  - Establish a project to focus on increasing SafeNets capacity to grow, raise significant funds for services and develop our volunteer capacity.

## Report of the Directors (cont.)

In response to the Lancashire County Council (LCC) cuts, the cessation of Supporting People (SP) and Home Office DCLG funds, we are preparing with a planned restructuring of refuge services, reduction of staffing and other costs in anticipation of the cuts. The amount of funding lost for SafeNet amounts to over £700,000 leading to much lower levels of core income in 2017/18.

We are working hard to identify savings, maximise income and create new sources of funding in response to the impending losses. SP & DCLG funding for our Lancaster Refuge ends in August 2016, and for Burnley and Preston refuges by the end of the next financial year. Whilst we are working to replace some of those funds, our current position is that we are restructuring in order to remain viable, survive and ultimately thrive.

In order to manage the loss of SP & DCLG funds, we have looked at different restructuring options and new delivery models. Key to our sustainability is maximising income from HB's to replace some of the funds we are losing.

We are relying on continued income from Housing Benefits in each district to fund refuge accommodation services and, in order for this to work, we have allocated some staff tasks (previously paid for by SP) over to HB under the heading of 'intensive housing management'.

As HB income can only be used to fund specific housing related tasks, our restructure proposal has been shaped in a way that keeps our service viable under HB payments criteria – which means staffing the refuge in a different way.

SafeNet has a proactive approach to increasing its income and works closely with our Calico partners to secure the best level of income from Housing Benefits and to secure steady, re-occurring funding for its Children's Services and for its community based services.

We will continue to work hard to find effective solutions to funding issues and to work in partnership with funding agencies to ensure we gain appropriate funding for all our services.

### Directors and trustees

The directors of the charitable company ("the charity") are the trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end are listed on page 1.

### Structure, Governance and Management

#### Governing Document

SafeNet Domestic Abuse Service ("SafeNet") is registered as a Charity (no. 1091544) with the Charity Commission. The registered office is Centenary Court, Croft Street, Burnley, BB11 2ED.

The Charity is constituted as a Company limited by guarantee (no. 3860803) and is governed by its Articles of Association. New Articles of Association were adopted on 1 November 2013.

The Articles of Association are such that the Company is a subsidiary of The Calico Group Limited, a company limited by guarantee (registered number 08747100). On 1 November 2013 the Calico group undertook a restructure with The Calico Group Limited becoming the new parent company. This was done to enable the growth of the group.

The Articles of Association also ensure that the directors (who for the purposes of charity law are charity trustees) are the only members of the Company. Details of current trustees can be found on page 1.

In the event of the Company being wound up members are required to contribute an amount not exceeding £10.

#### Appointment of Directors

The charity either advertises for new directors in the local press, or approaches women with appropriate skills and/or experience to contribute to the management of the organisation. Directors are initially appointed as trustees for a probationary 6 month period during which new members will attend an agreed induction training programme with the goal of becoming full board members at the end of the 6 month period.

#### Directors' Induction and Training

New directors undergo training on their legal obligations under charity and company law, the content of the Articles of Association, the board and decision making processes; the business plan and recent financial performance of the charity. During the induction training programme, held over four training sessions, they learn about the organisation's purpose, history, aims and objectives, services, staff and volunteers, facilities, security, funding, residents' participation, strategic work, multi-agency and partnership involvement. They also meet key staff to learn about their work roles.

The background of the trustees means they are already familiar with the work being undertaken and their responsibilities as trustees. Presentations have been made to each Board meeting to further identify and explain the work being undertaken by the charity and its governance structure.

## Report of the Directors (cont.)

### Organisation

The activities of the charity are divided into five separate work streams – the provision of housing related support (Refuge Support), support to children both resident and non-resident (Children's Services), Outreach support and phone line, support to victims in legal and court process (IDVA Service) and management of the housing service.

Each of these areas is provided with support and guidance from the employees of the parent body, The Calico Group Limited under the direction of the Charity Manager, Helen Gauder.

### Related Parties

SafeNet Domestic Abuse Service is a subsidiary of The Calico Group Limited. The Calico Group Limited employees provide services, e.g. payroll to the employees SafeNet Domestic Abuse Service. An arm's length charge is made for these services. The day to day management of the charity is delegated to the Charity Manager.

None of the directors receive any remuneration in respect of their roles as directors. Expenses of £136 (2015: £375) were paid to 3 trustees in respect of travel costs.

Karen Ainsworth is also a board member of Calico Homes Limited, a fellow subsidiary of The Calico Group Limited.

### Risk Management

The directors have undertaken a review of the major strategic risks faced by the charity and have put in place systems to mitigate SafeNet's exposure to the major risks. These systems are reviewed annually.

The main risks identified relate to Government policy, the availability of contracts and funding and the role of the voluntary sector. Reduced funding could lead to reductions in services, in particular for Refuge Accommodation Based Services and Children's Services.

### Reserves Policy

The objective of having unrestricted funds in reserve £711,000 (2015: restated £742,000) is to enable the charity to cope with unplanned events. Very often, the effects of the event can be managed in the long term, but the charity needs reserves in the meantime. There is no rule on how large reserves should be; this will depend a great deal on the nature of the charity's activities and the level of external risk perceived by the trustees. It will also depend on what other action the charity is taking to mitigate the effects of the external threats, as this will affect the level of reserves required.

The organisation will attempt to maintain an overall target level which will enable a restructure of the service following any changes to Domestic Abuse service funding. We would take advantage of the notice periods on funding arrangements to allow us to remodel the service. As a result of this, we do not have to retain large reserves. However reserves are also built up to enable investment in accommodation to grow and expand the service. This will be over and above those reserves represented by fixed assets within the charity's balance sheet.

The Trustees will monitor and review the level of reserves annually, in line with guidance issued by the Charity Commission.

### Governance Development

Trustees / Board Members have been appraised annually and individual and group development planned. The governance function will be further developed through an appropriate development plan including key priorities as follows:

- Consideration of size, representation, skills and experience and diversity of the trustees, and the inclusion of service users.
- Develop a succession and recruitment strategy for the future.
- Develop more information and resources for members co-ordinated into a Board member resource pack which will include all of the constitutional requirements.
- Carry out trustee appraisals on a regular basis and provide a development plan to respond to identified needs.

### Voluntary Help

Over the past year we have recruited several new volunteers in addition to existing volunteers. They have been trained to assist residents in practical tasks and life skills. They provide additional emotional support alongside the existing paid staff. Volunteers typically work five hours per week. The financial statements exclude costs for voluntary help, which cannot be quantified.



## Independent Auditor's Report to the Members of SafeNet Domestic Abuse Service

We have audited the financial statements of SafeNet Domestic Abuse Service for the year ended 31 March 2016 on pages 9 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable 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 charitable 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 charitable Company and the charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on financial statements

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 2016 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 Companies Act 2006.

### Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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:

- the charity has not kept adequate accounting records, 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.

*Beever and Struthers*

Maria Hallows (Senior Statutory Auditor)  
For and on behalf of BEEVER AND STRUTHERS  
Chartered Accountants and Statutory Auditor  
St George's House  
215-219 Chester Road  
Manchester  
M15 4JE

Date: 12.9.16

## Report of the Directors (cont.)

### Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' 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 directors 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 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;
- 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 business.

The directors are responsible for keeping proper 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which auditors are unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### Auditor

A resolution will be proposed at the Annual General Meeting to reappoint Beever & Struthers, Chartered Accountants and Business Advisors, as auditor to the charity for the ensuing year.

Approved by the trustees and signed on their behalf by:-



.....  
Helen Gauder  
Company Secretary  
12 September 2016  
For the year ended 31 March 2016

## Statement of Financial Activities

For the year ended 31 March 2016	Note	Total Unrestricted Funds Year ended 31 March 2016 £'000	Total General Restricted Funds Year ended 31 March 2016 £'000	Total Restricted Fixed asset Funds Year ended 31 March 2016 £'000	Total Funds Year ended 31 March 2016 £'000	Restated Total Funds Year ended 31 March 2015 £'000
<b>Income</b>						
Donations and legacies	2	7	-	-	7	44
Income from Investments	3	1	-	-	1	2
		<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>46</u>
<b>Income from Charitable activities</b>	4	1,155	234	-	1,389	1,043
<b>Total income</b>		<u>1,163</u>	<u>234</u>	<u>-</u>	<u>1,397</u>	<u>1,089</u>
<b>Expenditure</b>						
Expenditure on Charitable activities		1,152	295	-	1,447	1,081
<b>Total expenditure</b>	5	<u>1,152</u>	<u>295</u>	<u>-</u>	<u>1,447</u>	<u>1,081</u>
<b>Net (expenditure)/income for the year</b>		11	(61)	-	(50)	8
<b>Gross Transfers between funds</b>	12	(42)	45	(3)	-	-
		<u>(31)</u>	<u>(16)</u>	<u>(3)</u>	<u>(50)</u>	<u>8</u>
<b>Net Movement in Funds</b>						
<b>Total Funds Brought Forward at 1 April 2015</b>		742	16	158	916	908
<b>Total Funds Carried Forward at 31 March 2016</b>	12	<u>711</u>	<u>-</u>	<u>155</u>	<u>866</u>	<u>916</u>

All of the activities in the financial period are derived from continuing operations.

The Statement of Financial Activities includes all gains and losses in the period.


The notes on pages 11 to 16 form part of the accounts.

## Statement of Financial Position

At 31 March 2016

	Note	2016 £'000	Restated 2015 £'000
<b>Fixed assets</b>			
Tangible fixed assets	8	712	714
<b>Current assets</b>			
Debtors	9	90	98
Cash at bank and in hand		221	175
		<u>311</u>	<u>273</u>
<b>Creditors: amounts falling due within one year</b>	1	157	71
<b>Net current assets</b>		<u>154</u>	<u>202</u>
<b>Net assets</b>		<u>866</u>	<u>916</u>
<b>Unrestricted funds</b>			
General unrestricted funds	12	711	742
<b>Restricted funds</b>			
Fixed asset Restricted fund	12	155	158
General Restricted fund	12	-	16
<b>Total Charity Funds</b>		<u>866</u>	<u>916</u>

The financial statements on pages 9 to 16 were approved by the trustees and authorised for issue on 12 September 2016 and signed on its behalf by:

  
.....  
K Ainsworth  
Director  
12 September 2016

## Notes to the Financial Statements

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared in accordance with 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") (effective 1 January 2015) - ("Charities SORP (FRS 102)"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### Adoption of FRS 102 accounting principles

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition 1 April 2014, in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for holiday entitlement arising in the year that was due but not taken. The initial liability was for £5,837 and the liability as at 31 March 2015 was for £13,267. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided below.

#### Reconciliation of funds and balances

	1 April 2014 £'000	31 March 2015 £'000
Fund balances as previously stated	914	929
Short term compensated absences	(6)	(13)
Fund balances as restated	<u>908</u>	<u>916</u>

#### Going concern

The financial statements have been prepared on a going concern basis as the trustees are of the opinion that the charity has adequate resources to continue in operational existence for the foreseeable future.

#### FRS 102 disclosure exemptions

The charity meets the definition of a qualifying entity under FRS102 and has taken advantage of the disclosure exemptions available to it in respect of preparation of a statement of cash flows and financial instruments.

#### Income

Voluntary income and donations are included in incoming resources when they are receivable, except when the donors specify that they must be used in future accounting periods if donor's conditions have not been fulfilled, then the income is deferred.

Grants, where entitlement is not conditional on the delivery of specific performance by the company, are recognised when the company becomes unconditionally entitled to the grant. Grants, where related to performance and specific deliverances, are accounted for as the company earns the right to consideration of its performance.

Investment income is recognised on a receivable basis.

#### Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, such as support costs, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

## Notes to the Financial Statements

### 1. Accounting policies (continued)

#### Pensions

The charity participates in a stakeholder pension scheme; a defined contribution pension scheme. Contributions to the defined contribution pension plans are charged to the statement of financial activities in the year to which they relate. The assets of the scheme are invested and managed independently of the finances of the charity.

#### Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation less accumulated impairment. Assets with a cost of over £500 are capitalised.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives ("UEL"), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

Major components and their useful economic lives are as follows:

Structure – general needs refuge accommodation	75 years
Bathrooms	30 years
Kitchens	20 years

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected UEL, which is as follows:

Leasehold improvements	over the term of the lease
Fixtures and fittings	10 – 20%
Computer equipment	20%

#### Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### Restricted funds

Restricted funds are those funds which are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Grants towards the cost of the tangible fixed assets are treated as a separate restricted fund.

#### Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

### 2. Donations and legacies

	2016 £'000	2015 £'000
Donations	7	44
	<u>7</u>	<u>44</u>

### 3. Income from Investments

	2016 £'000	2015 £'000
Bank interest receivable	1	2
	<u>1</u>	<u>2</u>

## Notes to the Financial Statements

### 4. Income from charitable activities

	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
Support contracts	-	234	234	273
Contributions in respect of tenants	1150	-	1150	768
Training fees	5	-	5	2
	<u>1,155</u>	<u>234</u>	<u>1,389</u>	<u>1,043</u>

### 5. Analysis of charitable expenditure

	Refuge Services £'000	Support Contracts £'000	2016 Total £'000	Restated 2015 Total £'000
Direct Costs:				
Staff Costs	680	273	953	731
Other Direct Costs	472	22	494	350
	<u>1,152</u>	<u>295</u>	<u>1,447</u>	<u>1,081</u>

### 6. Net incoming resources

Net incoming resources are stated after charging:

	2016 £'000	2015 £'000
Depreciation of tangible fixed assets	26	26
Operating lease costs: other	111	49
Auditor's fees	2	2
	<u>139</u>	<u>77</u>

### 7. Employees

	2016 £'000	Restated 2015 £'000
Staff costs:		
Salaries and wages	882	661
Social security costs	63	52
Other pension costs	21	18
	<u>966</u>	<u>731</u>

No employees earned over £60,000 per annum. (2015: Nil)

None of the trustees receive any remuneration in respect of their roles as trustees. Expenses of £136 (2015: £375) were paid to three trustees in respect of travel costs.

The average number of employees during the year, by function was:

	2016 No.	2015 No.
Direct charitable activities	48	33
Management and administration of the charity	6	6
	<u>54</u>	<u>39</u>
Number of Full Time Equivalent Employees	<u>39</u>	<u>27</u>

Pension costs relate to contributions to defined contribution pension plan, a stakeholder pension scheme.

## Notes to the Financial Statements

### 8. Tangible fixed assets

	Freehold property	Leasehold improvements	Computer equipment	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2015	558	165	90	114	927
Additions	-	-	10	14	24
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total at 31 March 2016	558	165	100	128	951
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 April 2015	19	33	68	93	213
Charge in year	7	3	10	6	26
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total at 31 March 2016	26	36	78	99	239
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book values</b>					
At 31 March 2016	532	129	22	29	712
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	539	133	21	21	714
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 9. Debtors

	2016 £'000	2015 £'000
Prepayments and accrued income	90	98
	<hr/>	<hr/>
	90	98
	<hr/>	<hr/>

### 10. Creditors: amounts falling due within one year

	2016 £'000	Restated 2015 £'000
Accruals and deferred income	63	19
Inter group balances	94	52
	<hr/>	<hr/>
	157	71
	<hr/>	<hr/>

### 11. Analysis of net assets between funds

	Restricted Funds 2016 £'000	General Unrestricted Funds 2016 £'000	Restricted Funds 2015 £'000	Restated General Unrestricted Funds 2015 £'000
Tangible fixed assets	155	557	158	556
Net current assets	-	154	16	186
	<hr/>	<hr/>	<hr/>	<hr/>
	155	711	174	742
	<hr/>	<hr/>	<hr/>	<hr/>



## Notes to the Financial Statements

### 12. Movements in funds

	Restated Total at 31 March 2015 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gross Transfers between Funds £'000	Total at 31 March 2016 £'000
General Unrestricted Fund	742	1163	(1152)	(42)	711
Fixed Asset Restricted Fund	158	-	-	(3)	155
General Restricted Fund	16	234	(295)	45	-
	<u>916</u>	<u>1,397</u>	<u>(1,447)</u>	<u>-</u>	<u>866</u>

The Restricted Fixed Asset Fund is amortised over the life of the fixed assets it relates to by an annual gross transfer to the General Unrestricted Fund.

### 13. Restricted Funds

#### Fixed Asset Restricted Fund

Capital Grants include:

The Henry Smith Charity donated £100,000 for freehold property renovation costs.

Take Pride Community Fund granted £25,200 for improvements.

Francis C Scott Charitable Trust donated £15,000 for fixtures and fittings.

Garfield Weston Foundation donated £25,000 for communal garden.

#### General Restricted Funds

The breakdown of this year's expenditure is as follows:

Funding Source	Project	£ '000
BBC Children In Need	Domestic Violence Children's Workers	46
LCC Prevention & Early Intervention Fund	Domestic Violence Strategic Co-ordinator	32
LCC Safer Lancashire Board	Independent Domestic Violence Advisor	83
Burnley Borough Council	Sanctuary Project	4
LCC	Early Support Service	82
Burnley Community Support Workers	Children's Support Workers	48
		<u>295</u>

### 14. Financial Commitments

#### Capital Commitments

There are no capital commitments.

#### Operating leases

The payments which the Company is committed to make under operating leases are as follows:

	2016 £'000	2015 £'000
Land and buildings:		
Within one year	149	49
Between one and two years	18	67
	<u>167</u>	<u>116</u>

## Notes to the Financial Statements

### 15. Parent undertaking

The Company is a 100% subsidiary of The Calico Group Limited, a Company registered in England and Wales.

Consolidated accounts which include the results of the charity can be obtained from:

- Company Secretary, The Calico Group Limited, Centenary Court, Croft Street, Burnley, BB11 2ED

No other accounts include the results of the charity.

The trustees consider The Calico Group Limited to be the ultimate parent entity.

### 16. Related Party Transactions

Sales and purchases of goods and services between related parties are at an arm's length basis at normal market prices. Any outstanding balances are unsecured and interest free.

**The Calico Group Limited** ("Group"), the parent company

There were no transactions during the year (2015: £Nil).

At 31 March 2016, the company owed Group £1,000 (2015: £Nil).

**Calico Homes Limited** ("Homes"), a fellow subsidiary of Group

During the year, Homes recharged office costs and rents amounting to £120,000 (2015: £84,000).

At 31 March 2016, the company owed Homes £87,000 (2015: £53,000).

**Calico Enterprise Limited** ("Enterprise"), a fellow subsidiary of Group

During the year, Enterprise supplied cleaning, painting & decorating services amounting to £19,000 (2015: £Nil).

At 31 March 2016, the company owed Enterprise £6,000 (2015: £Nil).