

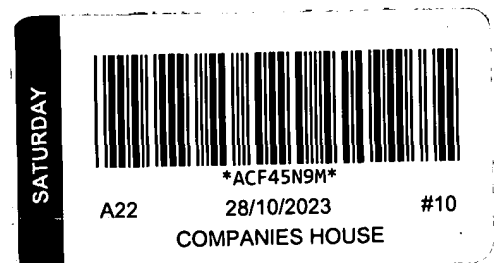
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Registered number: 08880373

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
For the Year Ended 30 September 2022**

For

**Achieving Real Change in Communities C.I.C.
(A company limited by guarantee)**



Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

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**Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)**

Company Information for the Year Ended 30 September 2022

Directors:
S Duffy
M Maiden
J A McCann
J Sampson
C Smith
L F Swinhoe
Sir P Vardy
Dr S Dexter-Smith

Company Secretary: A J Thompson

Registered Office:
c/o Square One Law LLP
Anson House
Fleming Business Centre
Jesmond
Newcastle upon Tyne
NE2 3AE

Registered Number: 08880373 (England and Wales)

Senior Statutory Auditor Christopher Beaumont BA (Hons) BFP FCA DChA

Auditors:
Clive Owen LLP
Chartered Accountants
& Statutory Auditors
140 Coniscliffe Road
DARLINGTON
County Durham
DL3 7RT

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Group Strategic Report
For the Year 30 September 2022

The directors present their strategic report for the Year ended 30 September 2022.

Principal activities

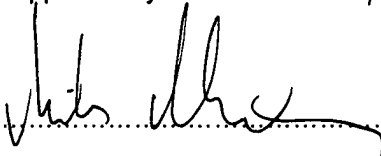
The company was incorporated on 6 February 2014 as a company limited by guarantee and as a Community Interest Company (C.I.C.), through which its member consortium successfully bid for the Government contract for delivery of probation services in respect of Durham and Tees Valley under its Transforming Rehabilitation agenda.

Business review

The trading subsidiary, Durham Tees Valley Community Rehabilitation Centre (DTVCR) ceased to trade in the previous year. That company is currently in the process of being wound up. Achieving Real Change in Communities (ARCC) has and will receive any surplus from DTVCR that arises following the wind up. The Directors are looking to support two projects from the funds available. Transactions involving this company will therefore be minimal with future receipts of gift aid monies and payment of donations the only material transactions. Once funds have been exhausted, this company will be wound up.

This report was approved by the Board on ^{29/9/23}~~24/9~~ 2023 and signed on its behalf by:

M Maiden
Chair



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Chair
M. M. M. M.

This report was approved by the Board on 15/10/2023 and signed on its behalf by:

transactions. Once funds have been exhausted, this company will be wound up, therefore be minimal with future receipts of gift aid monies and payment of donations the only material Directors are looking to support two projects from the funds available. Transactions involving this company will Communities (ARCC) has and will receive any surplus from DTVCRC that arises following the wind up. The the previous year. This company is currently in the process of being wound up. Achieving Real Change in The trading subsidiary, Durham Tees Valley Community Rehabilitation Centre (DTVCRC) ceased to trade in

Business review

agenda:
for delivery of probation services in respect of Durham and Tees Valley under its Transforming Rehabilitation Interest Company (C.I.C.), through which its member consortium successfully bid for the Government contract. The company was incorporated on 6 February 2014 as a company limited by guarantee and as a Community

Principal activities

The directors present their strategic report for the year ended 30 September 2023.

For the Year 30 September 2023
Group Strategic Report

(A company limited by guarantee)

Achieving Real Change in Communities C.I.C. (Registered Number : 08880313)

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Report of the Directors
for the Year Ended 30 September 2022

The directors present their report with the financial statements of the company for the Year ended 30 September 2022.

Gift Aid donations

£100,000 (2021: £2,500,000) of gift aid donations were received by ARCC in the period of these accounts to start funding the legacy projects.

Results

The loss for the year, after taxation, amounted to £884,537 (2021: £2,688,950 surplus)

Directors

The directors shown below have held office during the whole of the period from 1 October 2021 to the date of this report.

Dr S Dexter-Smith
S Duffy
M Maiden
J A McCann
J Sampson
C Smith
L F Swinhoe
Sir P Vardy

Other changes in directors holding office are as follows:

J Hodgkinson - resigned 6 January 2022.

**Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
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**Report of the Directors (continued)
for the Year Ended 30 September 2022**

Statement of directors responsibilities

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law and Financial Reporting Standards 102). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that ought to have been taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

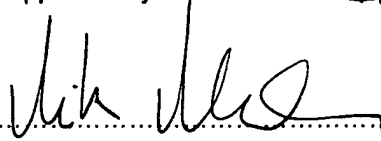
Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and Clive Owen LLP will therefore continue in office.

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Report of the Directors (continued)
for the Year Ended 30 September 2022

This report was approved by the Board on ^{29/9/23}~~24/10~~ 2023 and signed on its behalf by:

M Maiden
Chair



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Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Report of the Independent Auditors to the Members of
Achieving Real Change In Communities C.I.C.

Opinion

We have audited the financial statements of Achieving Real Change in Communities C.I.C. (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 30 September 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow 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 Group's and the parent company 's affairs as at 30 September 2022 and of the Group's income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent 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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter

We draw attention to Note 3 in the financial statements which states that The Durham Tees Valley Community Rehabilitation Company is no longer trading and is looking to be wound up within the near future. Our opinion on the consolidated financial statements is not modified in respect of this matter.

**Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)**

**Report of the Independent Auditors to the Members of
Achieving Real Change In Communities C.I.C. (continued)**

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, other than the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Director's for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director's have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns;
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

**Report of the Independent Auditors to the Members of
Achieving Real Change In Communities C.I.C. (continued)**

Responsibilities of directors

As explained more fully in the Statement of Director's Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 director's either intend to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006.

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 Auditors 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. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around employment law, company law, health and safety law and GDPR.
- Enquiry of directors and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of directors and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- *Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.*
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

**Report of the Independent Auditors to the Members of
Achieving Real Change In Communities C.I.C. (continued)**

Auditors' responsibilities for the audit of the financial statements (continued)

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Auditors Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Beaumont BA (Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of:

Clive Owen LLP
Chartered Accountants
& Statutory Auditors
140 Coniscliffe Road
DARLINGTON
County Durham
DL3 7RT

Date: 29 September 2023

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Consolidated Statement of Comprehensive Income
For the Year Ended 30 September 2022

	Notes	2022 12 months £	2021 18 months As restated £
Income	5	6,766	15,973,193
Direct costs		<u>-</u>	<u>(9,960,025)</u>
Gross Surplus		6,766	6,013,168
Administrative expenses		<u>(905,057)</u>	<u>(3,057,302)</u>
Operating (Deficit)/Surplus	6	(898,291)	2,955,866
Interest receivable	9	<u>13,754</u>	<u>10,138</u>
		(884,537)	2,966,004
Interest payable and similar charges	10	<u>-</u>	<u>(277,054)</u>
(Deficit)/Surplus before taxation		(884,537)	2,688,950
Dividends		-	-
Tax on Deficit on ordinary activities	11	-	
(Deficit)/Surplus for the financial period		<u>(884,537)</u>	<u>2,688,950</u>

As the subsidiary ceased to trade in the period to 30 September 2021 the income and expenditure in that period represent a discontinued activity. With the exception of the £1m donation and interest received in the period to 30 September 2022 income and expenditure represent an unwinding of brought forward balances.

There were no items recognised in other comprehensive income for 2022 (2021: £nil).

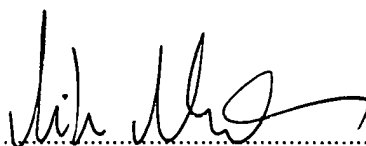
The notes on pages 23 to 28 form part of these financial statements.

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Consolidated Statement of Financial Position
At 30 September 2022

	Notes	As at 30 September 2022		As at 30 September 2021	
		£	£	As restated	
		£	£	£	£
Fixed assets					
Intangible assets	13		-		-
Tangible assets	13		-		-
			<u>-</u>		<u>-</u>
Current assets					
Debtors	15	187		228,222	
Cash at bank	16	<u>4,148,600</u>		<u>5,364,719</u>	
		<u>4,148,787</u>		<u>5,592,941</u>	
Creditors					
Amounts falling due within one year	17	<u>(13,135)</u>		<u>(489,752)</u>	
Net current assets			<u>4,135,652</u>		<u>5,103,189</u>
Total assets current liabilities			<u>4,135,652</u>		<u>5,103,189</u>
Provisions for liabilities	18	(67,000)		(150,000)	
Deferred Tax	19	<u>-</u>		<u>-</u>	
			<u>(67,000)</u>		<u>(150,000)</u>
Net assets			<u>4,068,652</u>		<u>4,953,189</u>
Capital and Reserves					
Retained earnings	20		4,068,652		4,953,189
Shareholders' funds			<u>4,068,652</u>		<u>4,953,189</u>

The financial statements were approved by the Board of Directors on 29/9/2023 and were signed on its behalf by:



M Maiden
Chair

The notes on pages 18 to 28
form part of these financial statements.

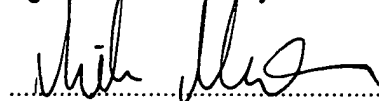
Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Company Statement of Financial Position
At 30 September 2022

	Notes	As at 30 September 2022		As at 30 September 2021 As restated	
		£	£	£	£
Fixed assets					
Investments	14		<u>145,954</u>		<u>145,954</u>
			<u>145,954</u>		<u>145,954</u>
Current assets					
Debtors	15	-		1,500,000	
Cash at bank	16	<u>1,599,793</u>		<u>1,000,088</u>	
		<u>1,599,793</u>		<u>2,500,088</u>	
Creditors: amounts falling due within one year	17	-		-	
Net current assets			1,599,793		2,646,042
Net assets			<u><u>1,745,747</u></u>		<u><u>2,646,042</u></u>
Reserves					
Income and expenditure account	20		<u>1,745,747</u>		<u>2,646,042</u>
Member's surplus			<u>1,745,747</u>		<u>2,646,042</u>
Company's (loss)/profit for the financial year			<u><u>(900,295)</u></u>		<u><u>2,500,000</u></u>

The company has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual profit and loss account in these financial statements.

The financial statements were approved by the Board of Directors on 29/9 2023 and were signed on its behalf by:



M Maiden
 Chair

The notes on pages 18 to 28 form part of these financial statements.

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Consolidated Statement of Changes in Equity
for the Year Ended 30 September 2022

	Retained earnings	Total equity
	£	£
Balance at 1 April 2020	2,264,239	2,264,239
Changes in equity		
Total comprehensive income	2,688,950	2,688,950
Balance at 30 September 2021	4,953,189	4,953,189
Changes in equity		
Total comprehensive income	(884,537)	(884,537)
Balance at 30 September 2022	4,068,652	4,068,652

The notes on pages 18 to 28 form part of these financial statements.

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Company Statement of Changes in Equity
for the Year Ended 30 September 2022

	Retained earnings £ As restated	Members' Surplus £ As restated
Balance at 1 April 2020	146,042	146,042
Changes in equity		
Gift Aid payment due from DTV CRC	2,500,000	2,500,000
Total comprehensive income	-	-
Balance at 30 September 2021	2,646,042	2,646,042
Changes in equity		
Total comprehensive income	(1,000,295)	(1,000,295)
Gift Aid payment from DTV CRC	100,000	100,000
Balance at 30 September 2022	1,745,747	1,745,747

The notes on pages 18 to 28 form part of these financial statements.

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Consolidated Cash Flow Statement
for the Year Ended 30 September 2022

	2022	2021
	12 Months	18 Months
	£	£
Cash flows from operating activities		
(Deficit)/Surplus for the financial year	(884,537)	2,688,950
Adjustments for:		
Depreciation of tangible assets	-	65,155
Interest payable	-	277,054
Interest received	(13,754)	(10,138)
Profit on sale of assets	-	(105,023)
Taxation charge	-	-
Decrease / (increase) in debtors	1,728,035	1,363,955
(Decrease) / increase in creditors	(1,976,617)	(2,665,922)
(Decrease) / increase in provisions	(83,000)	(2,370,787)
Net cash generated from operating activities	<u>(1,229,873)</u>	<u>(756,756)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(61,956)
Sale of tangible fixed assets	-	152,846
Interest received	13,754	10,138
Net cash from investing activities	<u>13,754</u>	<u>101,028</u>
Cash flows from financing activities		
Interest paid	-	(277,054)
Net cash used in financing activities	<u>-</u>	<u>(277,054)</u>
Net decrease in cash and cash equivalents	(1,216,119)	(932,782)
Cash and cash equivalents at beginning of period	5,364,719	6,297,501
Cash and cash equivalents at the end of period	<u>4,148,600</u>	<u>5,364,719</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>4,148,600</u>	<u>5,634,719</u>
	<u>4,148,600</u>	<u>5,634,719</u>

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022

1. Statutory information

Achieving Real Change in Communities C.I.C. is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

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

3.1 Basis of preparation of financial statements

These financial statements comprise the consolidated (group) financial statements and the company's separate financial statements. However, as permitted by section 408 of the Companies Act 2006, the separate profit and loss account of the company is not presented. The financial statements have been prepared under the historical cost convention. The subsidiary is no longer a going concern and will be wound up after the liabilities are satisfied. They are presented in pounds sterling, which is the functional currency of the company. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3.2 Reduced disclosures

FRS 102 allows a qualifying entity certain disclosure exemptions. The company meets the definition of a qualifying entity in respect of its separate (non-group) financial statements and has taken advantage of the disclosure exemptions relating to certain financial instruments disclosures and remuneration of key management personnel and from preparing a statement of cash flows. The equivalent disclosures are provided on a consolidated basis in these financial statements.

3.3 Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking made up to 30 September 2022. Intercompany transactions and balances between group companies are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)**

**Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022**

3. Accounting policies (continued)

3.4 Going concern

The group meets its day to day working capital requirements through its cash resources and operating cash flows.

The subsidiary's contract was terminated on 25 June 2021. The services and staff of the subsidiary were transferred to the new Probation Service. The company has sufficient reserves to wind the company up, with all creditors being paid on agreed terms.

The directors have prepared financial forecasts and projections, with the expectation that there is sufficient resources available to continue meeting its liabilities as they fall due, the company has appointed an insolvency practitioner who in due course will undertake a members voluntary liquidation.

3.5 Income

Rendering of services

Income in the prior year from the rendering of services comprised fees for the provision of probation services and associated activities provided during the period, excluding value added tax. Such revenue was recognised only where a right to consideration had been obtained through performance. Where income was determined by reference to performance criteria which are achieved over a period of time, it was only recognised when it is probable that the performance criteria had been met.

Where income had been earned but not invoiced during the period, the amount included in turnover was the proportion of the anticipated fees receivable for the period and was included in accrued income. Any amounts invoiced in advance of the revenue recognition criteria being achieved were held in the balance sheet as deferred income.

3.6 Dividend and interest income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised in the income and expenditure account using the effective interest method.

**Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)**

**Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022**

3. Accounting policies (continued)

3.7 Employee benefits

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension scheme

The group operated a defined contribution pension scheme. The assets of the scheme were held separately from those of the group in an independently administered fund. The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

Multi employer pension scheme

Following its admission as an eligible employer to the Local Government Pension Scheme via the Greater Manchester Pension Fund with effect from 1 June 2014, the group also participated in a multi-employer pension scheme providing benefits based on final pensionable pay. The assets of the scheme were held separately from those of the group and the group's contributions are set in relation to the current service period only, therefore in accordance with FRS 102 the group accounts for contributions to the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period and the group has no obligation to meet the cost of any deficits on the scheme.

All employees eligible for the scheme transferred to another eligible body with pensions at the end of the year.

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022

3. Accounting policies (continued)

3.8 Intangible fixed assets

Intangible assets were stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation was provided on all intangible assets so as to write off the cost of an asset over its estimated useful life as follows:

Software - Straight line over 3 years

Asset residual values and useful lives were reviewed at the end of each reporting period, and adjusted if appropriate.

3.9 Tangible fixed assets

Capitalisation threshold is £5,000.

Tangible fixed assets were stated at cost less accumulated depreciation and accumulated impairment losses. Cost included costs directly attributable to making the asset capable of operating as intended.

Depreciation was provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles - Straight line over 3 to 7 years

Fixtures and fittings - Straight line over 4 to 8 years

IT equipment - Straight line over 3 to 5 years

3.10 Operating leases

Leases that did not transfer all the risks and rewards of ownership were classified as operating leases. Rentals under operating leases were charged to the income and expenditure account on a straight line basis over the lease term.

Incentives received to enter into an operating lease were credited to the income and expenditure account, to reduce the lease expense, on a straight-line basis over the period of the lease.

3.11 Investments

In the company's financial statements, investment in the subsidiary is stated at cost less provision for impairment.

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022

3. Accounting policies (continued)

3.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

3.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the income and expenditure account in the period that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

3.14 Financial instruments

The parent company and its group only entered into basic financial instruments transactions that resulted in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties, including related parties, and preference shares classified as debt.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, were initially measured at the present value of future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that were payable or receivable within one year were measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Preference shares, which were redeemable at the option of the holder, were classified as liabilities. Any dividends arising on these preference shares were recognised in the income and expenditure account as an interest expense.

3.15 Finance costs

Finance costs, including issue costs, were charged to the income and expenditure account over the term of the financial instrument using the effective interest method so that the amount charged was at a constant rate on the carrying amount. Issue costs were initially recognised as a reduction in the proceeds of the associated instrument.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
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Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022

4. Judgement in applying accounting policies and key sources of establishment uncertainty (continued)

Significant judgments in applying the company's accounting policies

Provisions

The company makes a specific provision against exit costs which may be incurred as a result of the wind down.

5. Turnover

The whole of the turnover is attributable to its principal activities and arose entirely within the United Kingdom.

6. Operating Surplus/(Deficit)

The operating position is stated after charging:

	2022	2021
	£	£
Other operating lease rentals	-	300,231
Depreciation of tangible fixed assets	-	65,155
Profit on sale of assets	-	105,023
Fees payable to the company's auditor for the audit of the company's annual accounts	2,500	2,400
Fees payable to the company's auditor and its associates for other services:		
Audit of the accounts of subsidiaries	10,000	44,110
Tax compliance services	800	700
	800	700

7. Employees

Staff costs, including directors remuneration, were as follows:

	12 Months	18 Months	12 Months	18 Months
	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	33,889	7,453,144	-	-
Social Security costs	3,595	705,836	-	-
Other pension costs	-	880,496	-	-
Agency Costs	-	50,557	-	-
	37,484	9,090,033	-	-

The average monthly number of employees, including the directors, during the period was as follows:

	2022	2021
	£	£
Operational Staff	-	140
Administrative Staff	1	27
	1	167

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022

8. Directors' remuneration

	12 Months	18 Months
	2022	2021
	£	£
Directors' emoluments	33,889	313,886
Company's pension contributions	-	24,974
Amounts paid to third parties in respect of directors' services	-	9,750
	<u>33,889</u>	<u>348,610</u>

The highest paid Director received remuneration of £33,889 for the year (18 months to 30 September 2021 - £145,605).

The number of directors to whom retirement benefits were accruing was 2 until 25 June 2021, after which there was nil.

9. Interest receivable and similar income

	12 Months	18 Months
	2022	2021
	£	£
Bank interest receivable	13,754	10,138
	<u>13,754</u>	<u>10,138</u>

10. Interest payable and similar expenses

	12 Months	18 Months
	2022	2021
	£	£
Other finance costs	-	251,080
Late payment interest	-	25,974
	<u>-</u>	<u>277,054</u>

11. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	12 Months	18 Months
	2022	2021
	£	£
Current tax:		
UK corporation tax	-	-
Deferred tax	-	-
Tax on (Loss)	<u>-</u>	<u>-</u>

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022

11. Taxation (continued)

	2022	2021
	£	£
(Deficit)/Surplus before tax	<u>(884,537)</u>	<u>2,688,950</u>
(Deficit)/Surplus multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(168,062)	510,900
Effects of:		
Expenses not deductible for tax purposes		(475,100)
Capital allowances in excess of depreciation		(1,747)
Losses carried back		(33,197)
Short term timing differences		(856)
Trading losses	168,062	-
Total tax charge	<u>-</u>	<u>-</u>

12. Prior year adjustment

The accounts have been restated to reflect a £1m donation that was made in 2022 rather than 2021. As a result the bank balance and reserves for the charity has been increased by £1m to reflect

13. Intangible and Tangible fixed assets

There are no intangible or tangible fixed assets in the company, nor the group at the beginning or end of the financial year.

Most assets were transferred to the Probation Service on 25 June 2021.

Those assets, not transferred, that had nil net book value, were donated to local schools and charities.

14. Fixed asset investment

Company	Investment in Subsidiary Company
	£
Cost	
As 1 October 2021	145,954
At 30 September 2022	<u>145,954</u>
Net book value	
As 30 September 2022	<u>145,954</u>
As 1 October 2021	<u>145,954</u>

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022

14. Fixed asset investment (continued)

The company owns 100% of the ordinary share capital of The Durham Tees Valley Community Rehabilitation Company Limited. The principal activities of that company was the provision of probation services and associated activities. The registered office of the subsidiary is c/o Square One Law LLP, Anson House, Fleming Business Centre, Jesmond, Newcastle upon Tyne, NE2 3AE. That company ceased to trade in the previous financial year and is now being wound up. The assets of the company exceed the investment value above.

15. Debtors: Amounts falling due within one year

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Trade debtors	-	227,746	-	-
Other debtors	187	-	-	1,500,000
Prepayments and accrued income	-	476	-	-
	<u>187</u>	<u>228,222</u>	<u>-</u>	<u>1,500,000</u>

16. Cash and cash equivalents

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	As restated £
Cash at bank and in hand	<u>4,148,600</u>	<u>5,364,719</u>	<u>1,599,793</u>	<u>1,000,088</u>
	<u>4,148,600</u>	<u>5,364,719</u>	<u>1,599,793</u>	<u>1,000,088</u>

17. Creditors: Amounts falling due within one year

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Trade creditors	-	6,741	-	-
Taxation and social security	666	261,244	-	-
Other creditors	2,469	-	-	-
Accruals and deferred income	10,000	221,767	-	-
	<u>13,135</u>	<u>489,752</u>	<u>-</u>	<u>-</u>

Achieving Real Change in Communities C.I.C. (Registered Number : 08880373)
(A company limited by guarantee)

Notes to the Consolidated Financial Statements
for the 18 Months Ended 30 September 2022

18. Provisions

	Costs & Service £	Total £
As at 1 October 2021	(150,000)	(150,000)
Arising during the period	-	-
Utilised during the period	83,000	83,000
Unwinding of discount	-	-
Closing balance as at 30 September	<u>(67,000)</u>	<u>(67,000)</u>
Expected timing of cash flows:		
-no later than one year	(57,000)	(57,000)
-later than one year but less than five years	(10,000)	(10,000)
-later than five years	-	-
Total	<u>(67,000)</u>	<u>(67,000)</u>

Exit costs are potential liabilities that may arise as a consequence of the early termination of the Ministry of Justice contract. Service delivery is associated with Payment by Results.

All innovation projects ceased on 25 June 2021, with no further obligations on the company or the group.

19. Deferred Taxation

The company had no deferred tax asset or liability as at 30 September 2022 or 2021.

20. Reserves

Income and expenditure account

The income and expenditure account represents cumulative profits and losses net of distributions.

21. Company Status

The company is a private company limited by guarantee and consequently does not have share capital.

Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

Achieving Real Change in the Communities (Registered Number 08880373)
A Company limited by Guarantee

Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2022

22. Pension commitments

The company operated a defined contribution pension scheme and participates in a multi-employer pension scheme providing benefits based on financial pensionable pays for as if it were a defined contribution pension scheme (see note 3.7). The pension cost charge for the prior period represented contributions payable by the group to the schemes.

No contributions were due to the schemes as at 30 September 2022 or 2021.

23. Commitments under operating leases

As at 30 September 2022 the group and the company had no future minimum lease payments under non-cancellable operating lease.

24. Contingent Liabilities

There were a small number of claims against the organisation following serious further offences / domestic homicide reviews. At the time of signing the accounts it is not possible to quantify the potential impact on the organisation due to the complexity of this type of case.

25. Related party disclosures

Compensation of key management personnel

Directors' emoluments disclosures are given in note 8. The directors consider the directors of the group's operating subsidiary to be key management personnel of the group. The total remuneration of key management personnel in the year was £33,889 (18 Months to 30 September 2021: £348,610).

Company

The company has taken advantage of the exemption in FRS 102 from disclosing transactions with wholly owned companies within the group. During the current and preceding period, no transactions took place with members of the company and no balances remained outstanding with members at the balance sheet date (2021: £nil).

26. Ultimate controlling party



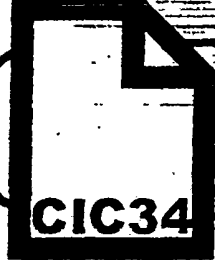
In the opinion of the directors there is no controlling party.

CIC ACC – Frontend Scanning sheet for Missing Doc Flyer

Company name: *Achieving Real Change In Communities*

Company number: *08880373*

Indicate with a tick whether the item has been included or absent from the package

		Included	Absent
 Cheque	Cheque for £15	<input type="checkbox"/>	<input checked="" type="checkbox"/>
 ACCs	‘small’ CIC Annual Accounts	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 CIC34	CIC 34 Community Interest Company Report	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please Note: This should be placed in the back of the Accounts package unless the Accounts are the missing item, when it will be placed at the front and barcoded.