

LEY COMMUNITY DRUG SERVICES

England & Wales · Charity number 1074874

Details

Other names LEY COMMUNITY, THE LEY COMMUNITY

Status Registered

Legal form Charitable company

Company number [03736193](#)

Registered 1999-03-26

Register [View on the Charity Commission register](#)

Contact

Address 68 Newington Causeway
London
SE1 6DF

Phone 01865378600

Email laura.white@phoenixfutures.org.uk

Website www.leycommunity.co.uk

Activities

Objects: THE RELIEF OF SICKNESS AND DESTRUCTIVE BEHAVIOUR OF PERSONS CAUSED BY THE USE OF DRUGS, ALCOHOL AND OTHER SUBSTANCE ABUSE OR BY A DISORDER OF PERSONALITY.

Activities: The Ley Community provides a structured residential treatment programme for up to 58 entrenched drug and alcohol misusers. It is run as a therapeutic community with extensive resettlement support on completing the treatment programme. Referrals are made from throughout the United Kingdom with local authorities funding treatment.

Classification

- **How:** Provides Services, Other Charitable Activities
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** People With Disabilities, Other Defined Groups, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£172,512	£216,528	-	-
2024-03-31	£89,375	£150,740	-	-
2023-03-31	£4,905	£101,655	-	-
2022-09-30	£15,378	£159,261	-	-
2021-09-30	£1,760,652	£426,939	£2,457,658	2

Trustees

Name	Role	Appointed
Alison Cottrell	Chair	2023-12-13
Amanda Janine Poole		2019-07-14
Tressa Verrier		2024-07-19

LEY COMMUNITY DRUG SERVICES

England & Wales - Charity number 1074874

Accounts

**LEY COMMUNITY DRUG SERVICES
REPORT AND FINANCIAL STATEMENTS**

For the year ended

31 March 2025

Company Registration Number: 3736193 (England & Wales)
Charity Registration 1074874

Ley Community Drug Services

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LEY COMMUNITY DRUG SERVICES LEGAL AND ADMINISTRATIVE DETAILS

LEGAL STATUS

The Ley Community Drug Services (“the Charity”) is a company limited by guarantee and a registered charity. On the 23rd September 2022, Ley Community Drug Services was acquired by Phoenix House Limited (trading as Phoenix Futures).

COMPANY NUMBER

3736193

CHARITY NUMBER

1074874

BOARD MEMBERS

Dr Simon H Street
Ms Alison Cottrell
Ms Amanda Poole
Mr David Jones
Sheriff David Nicol Mackie
Mr Scott Mandelbrote (Resigned 5th September 2024)
Dr Suzanna Graham-Jones (Resigned 5th September 2024)
Ms Tressa Verrier (Appointed 19th July 2024)

REGISTERED OFFICE

Ley Community Drug Services
68 Newington Causeway
London
SE1 6DG

SENIOR MANAGEMENT

On the 23rd September 2022, Phoenix House, trading as Phoenix Futures assumed the management of the Charity.

BANKERS

Barclays Bank plc
PO Box 858
Wytham Court
11 West Way Botley
OX2 0XP

AUDITOR

Beever & Struthers
150 Minories
London
EC3N 1LS

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

Ley Community Drug Services is a wholly owned subsidiary of Phoenix House, trading as Phoenix Futures. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 03736193. It is also a registered charity, number 1074874, its registered office is 68 Newington Causeway London, SE1 6DF.

The Ley Community Drug Service Board ("The Board") presents its annual report and financial statements for the Charity for the year ending 31st March 2025.

MISSION AND PURPOSE

The Charity's objects as set out in the Memorandum and Articles of Association are 'the relief of sickness and destructive behaviour of persons caused by the use of drugs, alcohol and other substance abuse or by disorder of personality'.

The Mission Statement for the Ley Community Drug Services states: 'The Ley Community is an inclusive, peer-led therapeutic community that uses evidence-based practice to challenge harmful behaviours and equips the people it helps with the learning, self-belief and resilience needed to transform their lives'. The Charity's governing document is its Memorandum and Articles of Association.

PUBLIC BENEFIT

The Board has reviewed the Charity's aims, in the context of requirements set by the Charities Commission, with a view to ensuring that the Charity continues to serve public benefit.

Beneficiaries from the Ley Community charities work.

The service builds on the legacy of the Ley Community to deliver a residential treatment service for people with drug and alcohol needs. The service model has much in common with the Ley Community's ethos with an important adaptation. As a women-only service Ophelia House meets a need for gender-specific care which is lacking across the country. In order to contribute to this need the service operates a trauma-responsive approach.

Trauma is often a factor in substance use for both men and women, however women frequently experience additional gender based-traumas that impact their substance use and have devastating short and long-term effects. Domestic violence, coercive and controlling behaviour and being forced into sex work, are common experiences for many women that use substances, the perpetrators of these crimes are most often men.

Substance use treatment services are male dominated environments, only 32% of people in drug and alcohol treatment in England are women (OHID official statistics). These services have usually been designed by men and consequently are more catered towards meeting the needs of men. This means that the specific gendered needs of women are often overlooked. Consequently, women who have been abused by men can find it difficult to maintain treatment in mixed-gender settings.

Ophelia House at the Ley Community responds directly to this vital need. The service is registered in Phoenix's name for Care Quality Commission (CQC) purposes and delivered by Phoenix. The Ley achieves its objectives through leasing the building to Phoenix, leveraging expertise across Phoenix

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

to deliver the new model. Additional benefits are gained through this relationship by being able to benefit from Phoenix's expertise in developing pathways into the new service and follow-on provision such as aftercare and housing.

Through our arrangement with Phoenix, we are committed to increasing training opportunities at all levels of the organisation across a broader range of inclusive practice and developing a mechanism to localise our EDI agenda through support training and monitoring.

Our strategic approach builds on the work of the previous Equity, Diversity and Inclusion (EDI) Action plan and will be overseen by the Board of Trustees.

BUSINESS AND FINANCIAL REVIEW

The charity's results for the year ended 31 March 2025 are shown in the Statement of Financial Activities on page 17.

The charity generated a net expenditure of £44k (2024: deficit £61k) as shown below.

	2025	2024
	£'000	£'000
Income	172,512	89,375
Expenditure	(216,528)	(150,740)
Net expenditure in the year	<u>(44,016)</u>	<u>(61,365)</u>

Income for the year was derived from lease charges to Phoenix for the use of the land and buildings. Expenditure primarily related to the intercompany loan interest and depreciation of fixed assets. Additionally, credit notes totalling £14k were received, reflecting adjustments based on actual rather than estimated utility usage for the period prior to September 2023.

During the year, £46k of restricted funds were utilised through the Adrian Van Hoorn Bursary. Since April 2024, eight women from six different local authority areas have received support from the bursary, all of whom had previously been declined funding by their respective local authorities.

The bursary has enabled these women to receive the support they need, with several providing feedback on how this access has positively impacted their confidence and readiness to transition from Ophelia House back into the community. On average, each bursary supported 48 days of care.

Reserves Policy

It is the policy of the Charity to maintain the following reserves:

General reserves – comprising primarily of the value of the land and building which it in turns leases to Phoenix who holds CQC registration for the women's only trauma informed service.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

Restricted Reserves comprise of monies which have an imposed condition or are restricted to a specific purpose. Upon the conditions of the restriction being met, the funds are released.

At the end of the financial year, total funds amounted to £2,112k, of this, £92k was restricted and not available for general use. The Trustees consider the current level of unrestricted reserves—£2,020k—to be appropriate, as it reflects the net book value of the land and buildings necessary to uphold its agreement with Phoenix and support the delivery of its charitable objectives.

Future Prospects

The Ley will continue to lease the land and building to Phoenix Futures, who hold CQC registration for the residential service, in accordance with the lease agreement signed by both entities.

Structure, Governance and Management

Ley Community Drug Services is a wholly owned subsidiary of Phoenix House. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England (number 03736193). It is also a registered charity (number 1074874), sharing the same registered office address as Phoenix.

It is governed by its Memorandum and Articles of Association that determine the legal framework within which we operate, and which set out our charitable objects.

As a subsidiary of Phoenix, the Ley Community Drug Service have adopted Phoenix Futures governance policies, processes and corporate strategy. The Ley Board typically meets quarterly to review financial, operational, and quality performance, it is supported by the four sub-committees within Phoenix Group, each with their own area of expertise:

- Audit, Control & Investment Committee
- Clinical Governance Committee
- People and Remuneration Committee
- Strategic Risk Committee

The Board reports to the Phoenix Group Board.

The Board plays an active part in the planning and development of strategy from its initial inception through to formally signing off the final document.

The Board delegates the outworking of the strategy to the Phoenix Group Executive Team who ensures departmental, speciality and service strategies/plans underpin the strategy objectives, which in turn inform individual targets, so we are all working together to achieve the overall strategy outcomes.

Board of Trustees

The Trustees and Chair are appointed for an initial term of three years, which may be extended for an additional three years. They may also be eligible for reappointment for up to three further one-year terms to support effective succession planning and as agreed by the Chair. Trustees are recruited using advertisements with potential Trustees being invited to complete an application form. The Charity recruits Trustees who are able to offer a wide range of experience for the benefit

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

of the group including business, finance, clinical governance and quality. With input from the Phoenix Trustees, a panel including the Phoenix chief executive, meets with applicants to discuss both the Charity's and Phoenix's aims and objectives, outline their responsibilities as Trustees and ensure that there are no conflicts of interest and to answer any questions that applicants may have.

New Trustees are provided with information on legal obligations under Charity and Company Law, the Charity Commission's guidance on public benefit, and the content of the Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. Regular skills audits and governance reviews also take place to ensure our Trustee Board has the requisite skills and attributes required to oversee our group and the Charity. Trustee's training is an ongoing process via presentations, visits and Away Days.

Members of the Board of Trustees do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £nil were reimbursed during this financial year.

Key management performance review

All members of the Phoenix Group Executive Team go through a rigorous recruitment process which is undertaken by a specialist recruitment agency with the final interview panel having membership from the Group Board. The process tests not only the competencies of potential Executives, but also their values.

All members of the Phoenix Group Executive Team hold as a minimum a master's degree (in business or voluntary sector management) or a professional qualification in their speciality (e.g. FCA or MCIPD).

The Phoenix Group Executive Team is subject to the same appraisal and supervision processes as all staff. An annual workplan for the Phoenix Group Executive Team is put before the Group Board and progress is monitored at every Group Board meeting. In addition to the Workplan the Executives are also set individual targets, these are agreed by and monitored by the People and Remuneration Committee.

Principal risks and uncertainties

The Board and the Phoenix Group Executive Team, regularly review the risks to the organisation presented by the changing economic and political environment and are satisfied that systems are in place to mitigate exposure to the major risks.

Our risk management process has effective oversight and remain alert to the emerging factors which could impact our services and the people who use them.

Our key corporate group risks for 2024/2025 are listed below:

Objective	Risk
To ensure that the residential sector has a clear and prominent place in local and national drug strategies.	Devolution of commissioning decisions can lead to a lack of national strategy for residential treatment.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

	<p>Residential services have a fixed cost base meaning the organisation has financial sensitivity to occupancy fluctuations.</p> <p>Variable levels of access across the UK can lead to inequality of care and increase in harm as people are unable to access suitable treatment.</p> <p>Mitigation and control</p> <p>Take a leadership role in promoting the Residential Sector and to influence commissioning context on behalf of people who use and could benefit from this treatment.</p> <p>Dedicated Residential Access and Placements Team to problem solve access issues for potential residential clients.</p> <p>Invest in research to continuously support the development of the evidence base.</p>
Objective	Risk
<p>To maintain and strengthen staff satisfaction with their role and contribution to our shared purpose.</p>	<p>Cost of living increases erode satisfaction with salaries.</p> <p>Competitors have access to workforce funding that is unavailable to Phoenix.</p> <p>A sense of unfairness may lead to lower motivation, higher vacancies/absence and difficulty in maintaining culture.</p> <p>Workforce leaving the sector as organisations are unable to meet salary requirements for a skilled workforce.</p> <p>Mitigation and control</p> <p>An active Remuneration Strategy including Real Living Wage commitment, market supplement policy, cost of living initiatives, flexible benefit structure.</p> <p>The staff survey has shown that people are in the main happy working for Phoenix and for the majority of people the positive culture offsets the pay which may not be as high for some roles as other providers.</p>
Objective	Risk
<p>To effectively safeguard our data and information.</p>	<p>As we increasingly rely on technology, systems and data management we increase our risk of data breach.</p>

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

	<p>Data breaches can lead to large financial fines and reputational damage which impacts our ability to deliver services.</p>
	<p>Mitigation and control</p> <p>An active Data Protection strategy that includes robust risk appraisals of new and existing systems, ongoing compliance with cyber essentials and GDPR.</p> <p>Ensure review data centre security per cyber essentials.</p> <p>Continue to provide Training and clear communication.</p>
<p>Objective</p>	<p>Risk</p>
<p>To prevent drug and alcohol specific deaths and avoid deaths related to drug and alcohol causes.</p>	<p>Increased instances of drug and alcohol related harm are being seen both for people in treatment as well as those not in treatment.</p> <p>If we fail to take action on this to reduce the harm it is likely we will see more deaths for people who use our services.</p> <p>An increased risk of death and harm impacts our ability to deliver our purpose across services.</p>
	<p>Mitigation and control</p> <p>An active Reducing Harm strategy that has a clear focus on person centred care and continuous organisational learning helps us to manage safety in services.</p> <p>Robust Clinical Governance oversight and improvement planning.</p> <p>Ensure equity of access to all services and high quality of culturally competence care through our EDI approach.</p> <p>Work to end the stigma of substance use through the Anti-Stigma Network partnership.</p>

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation the Charity has adequate resources to continue operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Business relationship statement

The Charity nurtures business relationships with key stakeholders, such as customers, suppliers and others and considers the strategic value to the Charity and its stakeholders when making decisions.

Disabled Persons

The Charity's commitment to equality of opportunity between disabled people and other people falls within a set of over-arching equality and diversity values and lies at the centre of all its activities.

Financial risk management

The Charity's operations, through its relationship with Phoenix, expose it to a variety of financial risks that include the effects of changes in cashflow and price risk. Phoenix has in place a risk management programme that seeks to limit the adverse effects on its financial performance by monitoring levels of debt and applying its procurement policy to purchasing.

The Charity does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The policies set by the Board are implemented by the Charity's finance department.

Cash flow risk

The Charity has interest bearing assets. These interest bearing assets include only cash balances which earn interest at a variable rate.

Price risk

The Charity is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases in the UK.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Trustee Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Charity and of the surplus or deficit of the Charity for that period.

In preparing these financial statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently
2. make judgments and accounting estimates that are reasonable and prudent
3. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 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 Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARDS

Good Governance

A clear strategic framework is deeply embedded in the organisation and aligns purpose to objectives and workplans across each tier and within each department.

The budget is set with reference to the objectives and following a Board strategic review – ensuring resources align to corporate and Group objectives.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

As a charity the organisation is also assessing itself against the Charity Commission Code of Governance and aims to achieve full compliance with the code.

Internal Control

The Board has overall responsibility for establishing and maintaining the system of internal control for the Charity and for reviewing its effectiveness. No system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Charity's assets and interests.

The Board has adopted a risk-based approach to internal control which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Charity is exposed.

The Charity identified areas on which assurance is sought and matched these to sources of assurance. In order to monitor whether the sources of assurance identified adequately minimise or eliminate risk, a control procedure is operated on a predetermined frequency basis via three Committees set up by the Group Board; the Audit, Control & Investment Committee, the Clinical Governance Committee and the People and Remuneration Committee. The Committees have different areas of internal control although some areas overlap.

The Chief Executive reports on the overall adequacy of these areas of internal control via six-monthly reports to the Phoenix Group Audit, Control & Investment and the Clinical Governance Committees. The Phoenix Group Chief Executive also reports on any particular risks identified during the period covered by the report, and action taken, which affect specific areas on which assurance is being sought. The Committees report their conclusions to the Board.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

Risk management

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review of the Charity's activities. This process is coordinated through a regular reporting framework by the Phoenix Group Executive Team. The Phoenix Group Executive Team regularly considers reports on significant risks facing the Charity and the Phoenix Group Chief Executive is responsible for reporting to the Committees and the Board any significant changes affecting key risks.

Monitoring and corrective action

A process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the Board. This includes rigorous

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

procedures for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Board has adopted Group policies and procedures, in all relevant areas.

Information and financial reporting systems

Financial reporting procedures include a detailed budget for the year ahead. These are reviewed and approved by the Board. The Board also reviews reforecasts against budget.

The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes. The internal control framework and the risk management process are subject to regular review by the Committees which are responsible for providing independent assurance to the Board via regular reports. The Committees consider internal control and risk regularly during the period.

Fraud prevention, detection and reporting

A financial policy and financial controls and procedures have been established in order to prevent and detect fraud. The Charity operates a Fraud Register which itemises all instances of fraud/attempted fraud and the Audit, Control & Investment Committee regularly reviews the Fraud Register.

Review

The Directors, through the Audit, Control & Investment and Clinical Governance Committees, have reviewed the effectiveness of the Charity's system of internal financial control in operation during 2024-25 and up to date of approval of the financial statements and confirmed that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Charity.

Disclosure of information to the auditor

In the case of each person who was a director at the time this report was approved:

1. so far as that director was aware there was no relevant audit information of which the Charity's auditor was unaware; and
2. that director had taken all steps that the director ought to have taken as a
3. director to make himself or herself aware of any relevant audit information and to establish that the Charity's auditor was aware of that information.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2025

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Directors

The Directors who served during the period were as follows:

Dr Simon H Street
Ms Alison Cottrell
Ms Amanda Poole
Mr David Jones
Sheriff David Nicol Mackie
Mr Scott Mandelbrote (Resigned 5th September 2024)
Dr Suzanna Graham-Jones (Resigned 5th September 2024)
Ms Tressa Verrier (Appointed 19th July 2024)

All of the Directors are non-beneficial members of the Charity. All members of the Charity guarantee to contribute to a maximum of £1, should there be a call on their guarantee whilst members of the Charity or within one year after ceasing to be a member. The Directors of the Charity are also the Trustees.

Auditor

The current auditor, Beever & Struthers Limited, is deemed to be reappointed as auditor.

Approved by the Board of directors on 31st July 2025 and signed on behalf of the Board by



Dr. Simon H Street
(Director)

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF LEY COMMUNITY DRUG SERVICES

Opinion

We have audited the financial statements of Ley Community Drug Services (the ‘charitable company’) for the year ended 31 March 2025 which comprise of the Statement of Financial Activities including Income & Expenditure, the Balance Sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2025 and of its 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 Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report and Financial statements, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information contained within the report and financial statements. 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEY COMMUNITY DRUG SERVICES (CONTINUED)

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 Trustee report, which includes the Directors' Report prepared for the purpose of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report contained within the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEY COMMUNITY DRUG SERVICES (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge and experience of the charity sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011 and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulation
- performed substantive procedures on income.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Elizabeth Hatchman ACA
Senior Statutory Auditor
For and on behalf of
Beever & Struthers
150 Minorities
London
EC3N 1LS

Date: 22 August 2025

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2025

	Notes	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £
Income & Endowments from:							
Donations & Legacies	2	-	-	-	239	-	239
Interest Received	3	2,135	-	2,135	7,243	-	7,243
Other Income	4	170,377	-	170,377	81,893	-	81,893
Total Income		172,512	-	172,512	89,375	-	89,375
Expenditure on:							
Raising funds	5	60,190	-	60,190	34,150	-	34,150
Charitable Activities	6	110,438	45,900	156,338	116,590	-	116,590
Total Expenditure		170,628	45,900	216,528	150,740	-	150,740
Transfers between funds		-	-	-	12,158	(12,158)	-
Net (expenditure) / income for the year / Net movement in funds		1,884	(45,900)	(44,016)	(49,207)	(12,158)	(61,365)
Fund balances as at 31 st March 2024		2,017,812	137,848	2,155,660	2,067,018	150,007	2,217,025
Fund balances as at 31st March 2025		2,019,696	91,948	2,111,644	2,017,811	137,849	2,155,660

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities. The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BALANCE SHEET AS AT 31 MARCH 2025

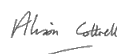
	Notes	2025 £	£	2024 £	£
Fixed Assets					
Tangible Assets	10		3,151,811		3,268,199
Current Assets					
Cash at Bank and in Hand		147,636		138,097	
		<u>147,636</u>		<u>138,097</u>	
Creditors: Amounts Falling due within One Year	11	(1,187,803)		(1,250,636)	
Net Current (liabilities)/assets			(1,040,167)		(1,112,539)
Total assets Less Current Liabilities			<u>2,111,644</u>		<u>2,155,660</u>
Income Funds					
Restricted Funds	12		91,948		137,848
Unrestricted Funds			<u>2,019,696</u>		<u>2,017,812</u>
			<u>2,111,644</u>		<u>2,155,660</u>

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

The financial statements were approved and authorised for issue by the Board of Directors on the 31st July 2025 and were signed on its behalf by:



Dr. Simon H Street
(Director)



Alison Cottrell
(Director)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

1 Accounting policies

General information

Ley Community Drug Services is a wholly owned subsidiary of Phoenix Futures. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 03736193. It is also a registered charity, number 1074874, its registered office is 68 Newington Causeway London, SE1 6DF.

Basis for accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102 2nd edition effective from January 2019) (the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The Charity has taken advantage of the exemption under FRS 102 Section 1A and paragraph 1.12(c) from preparing a statement of cash flows, on the grounds that it is a subsidiary undertaking included in the consolidated financial statements of the parent company Phoenix Futures which are publicly available.

The financial statements are presented in Sterling.

Going concern

As it is the Charity's intention to continue in business, the financial statements are prepared on a going concern basis. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees are aware of key risks that may arise and have arrangements in place to mitigate those risks.

Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025 (CONTINUED)

1 Accounting policies (continued)

Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

No amount is included in the financial statements for the volunteer time in line with the SORP (FRS 102).

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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:

- Costs of raising funds includes the costs which are associated with raising funds from all the possible sources of incoming resources;
- Expenditure on charitable activities includes the expenditure incurred by the Charity in furtherance of the Charity's objects; and
- Other expenditure represents those items not falling into the categories above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025 (CONTINUED)

1 Accounting policies (continued)

Support Costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Key sources of estimation uncertainty and judgements

In the preparation of the financial statements the Board is required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the period. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

The judgements, estimates and assumptions which have the most significant effect on amounts recognised in the financial statements are discussed below:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets.

Identification of residential property components

The Charity accounts for its expenditure on residential properties using component accounting. Under component accounting, the residential property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components and in determining the useful economic lives of each component.

Residential property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025 (CONTINUED)

1 Accounting policies (continued)

Tangible Fixed assets

Tangible fixed assets and any additions to residential properties are stated at cost less any provision for any diminution in value and depreciation. The cost of land is not depreciated.

The cost of properties is the initial purchase price together with those costs that are directly attributable to acquisition and construction. Where an asset comprises components with materially different useful lives, those assets are separately identified and depreciated over those individual lives.

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefit is capitalised and the carrying amount of any replaced component or part component is derecognised.

Depreciation is provided on a straight line basis over the periods shown below:

Housing properties

Land	Infinite
Structure	50 years
Roofs	40 years
Heating System	30 years
Kitchens	15 years
Bathrooms	10 years

Other fixed assets are included at cost to the Charity less depreciation.

Other tangible fixed assets

Computer hardware and software	3 years
Equipment	5 years

Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

Where investments represent one entity gifting control to the other, the investment is initially recognised at the fair value of the gifted assets and liabilities, with a corresponding gain or loss recognised in the Statement of Comprehensive Income in the period of the transaction.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025 (CONTINUED)

1 Accounting policies (continued)

Financial Instruments

Financial assets and liabilities comprise trade and other debtors, cash and cash equivalents and trade and other payables.

Financial assets and financial liabilities are recognised when the Charity becomes party to the contractual provisions of the financial instrument.

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (normally the transaction price less transaction costs), unless the arrangement constitutes a financial transaction. If an arrangement constitutes a financial transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of Section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are only derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled,
- the Charity transfers to another party substantially all the risk and rewards of ownership of the financial asset, or,
- the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Charity does not use standalone derivative financial instruments to reduce exposure to interest rate movements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025 (CONTINUED)

1 Accounting policies (continued)

Impairment

Non-financial assets

Non-financial assets comprise residential properties.

Non-financial assets, other than those measured at fair value, are assessed for indications of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use.

Value in use for housing properties which are able to be let in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

Financial assets

Financial assets comprise trade and other debtors, cash and cash equivalents, and trade and other creditors.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Provisions

Provisions for liabilities and charges are recognised when the Charity has a present obligation (whether legal or construction) as a result of a past event that can be reliably estimated and it is probable that a transfer of economic benefit will be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025 (CONTINUED)

1 Accounting policies (continued)

Taxation

All income is applied solely for charitable purposes and therefore any surplus is exempt from corporation tax.

Revenue Reserves

Restricted Reserves comprise of monies which have an imposed condition or are restricted to a specific purpose. Upon the conditions of the restriction being met, the funds are released.

2. Donations and Legacies

	Unrestricted Funds 2025	Unrestricted Funds 2024
	£	£
Donations & Gifts	-	239

3. Interest Receivable

	Unrestricted Funds 2025	Unrestricted Funds 2024
	£	£
Bank Interest Received	2,135	7,243

4. Other Income

	Unrestricted Funds 2025	Unrestricted Funds 2024
	£	£
Rental income	170,377	81,893

5. Raising Funds

	Unrestricted Funds 2025	Unrestricted Funds 2024
	£	£
Interest payable	60,190	34,150

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025 (CONTINUED)

6. Charitable Activities

	Unrestricted Funds	Unrestricted Funds
	2025	2024
	£	£
Depreciation & Impairments	116,388	35,878
Consultancy Salary Costs	-	5,610
Subscriptions & Renewals	207	251
Printing, Postage, Stationary & Photocopying	419	395
Other Staff Costs (inc motor expenses)	-	579
Office Equipment	-	1,902
Lighting & Heating	(12,268)	29,784
Rates, Security & Insurance	(1,508)	32,760
Repairs & Renewals	-	2,231
Care activities (restricted funds)	45,900	-
	<u>149,138</u>	<u>109,390</u>
Share of Governance costs (see note 7)	7,200	7,200
	<u>156,338</u>	<u>116,590</u>

7. Governance Costs

	Support	Governance	2025	Support	Governance	2024
	Costs	Costs		Costs	Costs	
	£	£	£	£	£	£
Audit/Independent Examiner's Fees	-	7,200	7,200	-	7,200	7,200
	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>	<u>7,200</u>	<u>7,200</u>
Analysed between Charitable Activities	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>	<u>7,200</u>	<u>7,200</u>

8. Trustees

None of the Trustees (or any persons connected with them) charged any expenses, received any remuneration or benefits from the Charity during the year.

No trustees (2024: none) are accruing pension arrangements.

During the period Directors' liability insurance of £nil was paid (2024: £nil). Phoenix Group hold Directors' liability Insurance which extends to The Ley Board members. The Directors are also the Trustees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025 (CONTINUED)

The total amount of employee benefits received by key management personnel was £nil (2024: £nil), as the CEO post was covered on a consultancy agreement basis as detailed in the Related Party transaction note to the financial statements. The Charity considers its key management personnel comprise of the Phoenix CEO and Executive Team.

9. Employees

There were no employees during the period, nor in the prior year (2024).

10. Tangible Fixed Assets

	Freehold Land & Buildings	Improvements to Freehold Property	Other Fixed Assets	Total
	£	£	£	£
Cost				
At 31 st March 2024	159,055	3,297,739	91,937	3,548,731
Additions	-	-	-	-
As at 31st March 2025	<u>159,055</u>	<u>3,297,739</u>	<u>91,937</u>	<u>3,548,731</u>
Depreciation & Impairment				
At 31 st March 2024	53,415	220,899	6,218	280,532
Additions	3,180	85,980	27,228	116,388
As at 31st March 2025	<u>56,595</u>	<u>306,879</u>	<u>33,446</u>	<u>396,920</u>
Carrying Amount				
At 31 st March 2024	105,640	3,076,840	85,719	3,268,199
As at 31st March 2025	<u>102,460</u>	<u>2,990,860</u>	<u>58,491</u>	<u>3,151,811</u>

11. Creditors: Amounts Falling Due Within One Year

	2025	2024
	£	£
Trade Creditors	-	-
Other Creditors	-	13
Accruals	-	62,085
Amounts owed to Parent Company	1,187,803	1,188,538
	<u>1,187,803</u>	<u>1,250,636</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025 (CONTINUED)

12. Restricted Funds

Restricted funds are held for the purposes for which they were given, as specified below. The Adrian Van Hoorn Bursary will be drawn down to support the treatment of disadvantaged women at Ophelia House Residential Service.

	Balance at 31 st March 2024 £	(Outgoing) Incoming Resources £	Balance at 31 st March 2025 £
Resident Activities	12,848	-	12,848
Adrian Van Hoorn Bursary	125,000	(45,900)	79,100
	137,848	(45,900)	91,948

13. Analysis of Net Assets between Funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 1st March 2025 are represented by:						
Tangible Assets	3,151,811	-	3,151,811	3,268,199	-	3,268,199
Current Assets / Liabilities	(1,132,115)	91,948	(1,040,167)	(1,250,387)	137,848	(1,112,539)
	2,019,696	91,948	2,111,644	2,017,812	137,848	2,155,660

14. Related party transactions

No donations have been received during the year by the Charity from Board members (2024: Nil).

As at year end there is an intragroup loan between the parent company Phoenix Futures and its subsidiary Ley Community Drug Services of £1.2m (2024 : £1.2m). Interest is charged on the loan at the Bank of England interest rate.

15. Parent undertaking

The charitable company's ultimate parent is Phoenix House (Trading as Phoenix Futures), incorporated in England, Wales and Scotland. It is a company limited by guarantee and a registered social housing provider. Phoenix Futures prepares group financial statements and these are available from the company's registered office at Phoenix House, 68 Newington Causeway, London, SE1 6DF.

LEY COMMUNITY DRUG SERVICES

England & Wales - Charity number 1074874

Accounts

**LEY COMMUNITY DRUG SERVICES
REPORT AND FINANCIAL STATEMENTS**

For the year ended

31 March 2024

Company Registration Number: 3736193 (England & Wales)
Charity Registration 1074874

Ley Community Drug Services

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LEY COMMUNITY DRUG SERVICES LEGAL AND ADMINISTRATIVE DETAILS

LEGAL STATUS

The Ley Community Drug Services ("the Charity") is a company limited by guarantee and a registered charity. On the 23rd September 2022, Ley Community Drug Services was acquired by Phoenix House Limited (trading as Phoenix Futures).

COMPANY NUMBER

3736193

CHARITY NUMBER

1074874

BOARD MEMBERS

Dr Simon H Street
Ms Alison Cottrell (Appointed 13th December 2023)
Mrs Amanada Poole
Mr David Jones
Sheriff David Nicol Mackie
Mr Ian Watson (Resigned 13th December 2023)
Mr Scott Mandelbrote
Dr Suzanna Graham-Jones

REGISTERED OFFICE AND OPERATIONAL ADDRESS

The Ley Community
Mandelbrote House
26 Sandy Lane
Yarnton
Oxford
OX5 1PB

SENIOR MANAGEMENT

On the 23rd September 2022, Phoenix House, trading as Phoenix Futures assumed the management of the Charity.

BANKERS

Barclays Bank plc
PO Box 858
Wytham Court
11 West Way Botley
OX2 0XP

AUDITOR

Beever & Struthers
150 Minories
London
EC3N 1LS

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2024

Ley Community Drug Services is a wholly owned subsidiary of Phoenix House, trading as Phoenix Futures. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 03736193. It is also a registered charity, number 1074874, Its registered office is 26 Sandy Lanne, Yarnton, Oxford, OX5 1PB.

The Ley Community Drug Service Board ("The Board") presents its annual report and financial statements for Ley Community Drug Service ("the Charity") for the year ending 31st March 2024.

MISSION AND PURPOSE

The charity's objects as set out in the Memorandum and Articles of Association are 'the relief of sickness and destructive behaviour of persons caused by the use of drugs, alcohol and other substance abuse or by disorder of personality'.

The Mission Statement for the Ley Community Drug Services states: 'The Ley Community is an inclusive, peer-led therapeutic community that uses evidence-based practice to challenge harmful behaviours and equips the people it helps with the learning, self-belief and resilience needed to transform their lives'. The Charity's governing document is its Memorandum and Articles of Association.

PUBLIC BENEFIT

The Board has reviewed the Charity's aims, in the context of requirements set by the Charities Commission, with a view to ensuring that the Charity continues to serve public benefit.

Beneficiaries from the Ley Community charities work.

In December 2023 the Ley opened a new service with Phoenix Futures called Ophelia House at the Ley Community on our site in Yarnton. This is the culmination of 18 months of planning following the merger with Phoenix. The service builds on the legacy of the Ley Community to deliver a residential treatment service for people with drug and alcohol needs. The service model has much in common with the Ley Community's ethos with an important adaptation. As a women-only service Ophelia House meets a need for gender-specific care which is lacking across the country. In order to contribute to this need the service operates a trauma-responsive approach.

Trauma is often a factor in substance use for both men and women, however women frequently experience additional gender based-traumas that impact their substance use and have devastating short and long-term effects. Domestic violence, coercive and controlling behaviour and being forced into sex work, are common experiences for many women that use substances, the perpetrators of these crimes are most often men.

Substance use treatment services are male dominated environments, only 32% of people in drug and alcohol treatment in England are women (OHID official statistics). These services have usually been designed by men and consequently are more catered towards meeting the needs of men. This means that the specific gendered needs of women are often overlooked. Consequently, women who have been abused by men can find it difficult to maintain treatment in mixed-gender settings.

Ophelia House at the Ley Community responds directly to this vital need. The service is registered in Phoenix's name for Care Quality Commission (CQC) purposes and delivered by Phoenix. The Ley achieves its objectives through leasing the building to Phoenix, leveraging expertise across Phoenix to deliver the new model. Additional benefits are gained through this relationship by being able to benefit from Phoenix's expertise in developing pathways into the new service and follow-on provision such as aftercare and housing. There are both delivery and cost synergies through this relationship, with the Ley board having governance for setting budget and operational processes.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2024

Through our arrangement with Phoenix, we are committed to increasing training opportunities at all levels of the organisation across a broader range of inclusive practice and developing a mechanism to localise our EDI agenda through support training and monitoring.

Our strategic approach builds on the work of the previous Equity, Diversity and Inclusion (EDI) Action plan and will be overseen by the Board of Trustees.

BUSINESS AND FINANCIAL REVIEW

The charity's results for the year ended 31 March 2024 are shown in the Statement of Financial Activities on page 13.

The charity generated a net expenditure of £61k (2023: deficit £96k) as shown below.

	2024 £'000	2023 £'000
Income	89,375	4,905
Expenditure	(150,740)	(101,655)
Net expenditure in the year	<u>(61,365)</u>	<u>(96,750)</u>
Transfer between funds	<u>-</u>	<u>-</u>
Net expenditure after fund transfers	<u>(61,365)</u>	<u>(96,750)</u>

During the first half of the year, all activities remained focused on redevelopment, only those resources and costs needed to fulfil this need were employed during the period. Upon completion of the property development, the land and building was leased to Phoenix and prepared for the opening of the women's only service in December 2023.

Reserves Policy

It is the policy of the Charity to maintain the following reserves:

General reserves – comprising primarily of the value of the land and building which it in turns leases to Phoenix who holds CQC registration for the women's only trauma informed service.

As at 31st March 2023, general reserves of £2m were held, the Trustees are of the opinion that the level of reserves is acceptable based on the level of activity, and therefore the appropriate target range for free reserves is between £1.5 million and £2.5 million.

Restricted Reserves comprise of monies which have an imposed condition or are restricted to a specific purpose. Upon the conditions of the restriction being met, the funds are released.

As at 31st March 2023, restricted reserves of £138k were held.

Future Prospects

The Ley will continue to lease the land and building to Phoenix Futures, who hold CQC registration for the residential service, in accordance with the lease agreement signed by both entities.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2024

Structure, Governance and Management

As a subsidiary of Phoenix, the Ley Community Drug Service have adopted Phoenix Futures governance policies, processes and corporate strategy. The Ley Board typically meets quarterly to review financial, operational, and quality performance, it is supported by the six sub-committees within Phoenix Group, each with their own area of expertise:

- Scotland Board
- Audit and Control Committee
- Clinical Governance Committee
- People and Remuneration Committee
- Strategic Risk Committee
- Investment Committee (merged within Audit & Control Committee from November 2023)

The Board reports to the Phoenix Group Board.

The Board plays an active part in the planning and development of strategy from its initial inception through to formally signing off the final document.

The Board delegates the outworking of the strategy to the Phoenix Group Executive Team who ensures departmental, speciality and service strategies/plans underpin the strategy objectives, which in turn inform individual targets, so we are all working together to achieve the overall strategy outcomes.

STRUCTURE AND GOVERNANCE

The Board of Trustees meets at least quarterly to consider strategic business issues. Members of the Board of Trustees do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £nil were reimbursed during this financial year.

The Trustees and Chair are appointed for an initial period of three years that can be extended for further three-year terms. Trustees are recruited using advertisements with potential trustees being invited to complete an application form. The Charity recruits Trustees who are able to offer a wide range of experience for the benefit of the group including business, finance, clinical governance and quality. With input from the Phoenix Trustees, a panel including the Phoenix chief executive, meets with applicants to discuss both the Charity's and Phoenix's aims and objectives, outline their responsibilities as Trustees and ensure that there are no conflicts of interest and to answer any questions that applicants may have.

New Trustees are provided with information on legal obligations under Charity and Company Law, the Charity Commission's guidance on public benefit, and the content of the Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. Regular skills audits and governance reviews also take place to ensure our trustee board has the requisite skills and attributes required to oversee our group and charity. Trustee's training is an ongoing process via presentations, visits and Away Days.

Key management performance review

All members of the Phoenix Group Executive Team go through a rigorous recruitment process which is undertaken by a specialist recruitment agency with the final interview panel having membership from the Group Board. The process tests not only the competencies of potential Executives, but also their values.

All members of the Phoenix Group Executive Team hold as a minimum a master's degree (in business or voluntary sector management) or a professional qualification in their speciality (e.g. FCA or MCIPD).

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2024

The Phoenix Group Executive Team is subject to the same appraisal and supervision processes as all staff. An annual workplan for the Phoenix Group Executive Team is put before the Group Board and progress is monitored at every Group Board meeting. In addition to the Workplan the Executives are also set individual targets, these are agreed by and monitored by the People and Remuneration Committee.

Principal risks and uncertainties

The Board and the Phoenix Group Executive Team, regularly review the risks to the organisation presented by the changing economic and political environment and are satisfied that systems are in place to mitigate exposure to the major risks.

The Board approved the budget for the development works and for operational activity for the financial period 2023/24. The redevelopment programme was reviewed at each meeting, noting progress made and any new risks with an assessment of whether these are high, medium or low and mitigating actions being taken.

In addition to the development and opening of a new service, other environmental and economic risks affecting the Ophelia House service have been identified as being:

- Rising costs due to inflation impacting our residential development programme
- Rising inflation, resulting in increased living costs continues to impact staff and people who use our services
- Availability of staff to fill vacancies.

The Charity's actions to mitigate such risks include ensuring Phoenix undertakes the following:

- Creating a response to the cost-of-living crisis that supports staff and people who use our services
- Extending our approved suppliers to maximise competitive pricing and minimum disruption to the supply chain
- Develop a Workforce Development strategy to attract and retain talent
- Reviewing internal processes to drive efficiency

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation the Charity has adequate resources to continue operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Business relationship statement

The Charity nurtures business relationships with key stakeholders, such as customers, suppliers and others and considers the strategic value to the Charity and its stakeholders when making decisions.

Disabled Persons

The Charity's commitment to equality of opportunity between disabled people and other people falls within a set of over-arching equality and diversity values and lies at the centre of all its activities.

Financial risk management

The Charity's operations, through its relationship with Phoenix, expose it to a variety of financial risks that include the effects of changes in cashflow and price risk. Phoenix has in place a risk

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2024

management programme that seeks to limit the adverse effects on its financial performance by monitoring levels of debt and applying its procurement policy to purchasing.

The Charity does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The policies set by the Board are implemented by the Charity's finance department.

Cash flow risk

The Charity has interest bearing assets. These interest bearing assets include only cash balances which earn interest at a variable rate.

Price risk

The Charity is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases in the UK.

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Trustee Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Charity and of the surplus or deficit of the Charity for that period.

In preparing these financial statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently
2. make judgments and accounting estimates that are reasonable and prudent
3. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 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 Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2024

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARDS

Good Governance

A clear strategic framework is deeply embedded in the organisation and aligns purpose to objectives and workplans across each tier and within each department.

The budget is set with reference to the objectives and following a Board strategic review – ensuring resources align to corporate and Group objectives.

As a charity the organisation is also assessing itself against the Charity Commission Code of Governance and aims to achieve full compliance with the code.

Internal Control

The Board has overall responsibility for establishing and maintaining the system of internal control for the Charity and for reviewing its effectiveness. No system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Charity's assets and interests.

The Board has adopted a risk-based approach to internal control which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Charity is exposed.

The Charity identified areas on which assurance is sought and matched these to sources of assurance. In order to monitor whether the sources of assurance identified adequately minimise or eliminate risk, a control procedure is operated on a predetermined frequency basis via three Committees set up by the Group Board; the Audit & Control Committee, the Clinical Governance Committee and the People and Remuneration Committee. The Committees have different areas of internal control although some areas overlap.

The Chief Executive reports on the overall adequacy of these areas of internal control via six-monthly reports to the Phoenix Group Audit & Control and the Clinical Governance Committees. The Phoenix Group Chief Executive also reports on any particular risks identified during the period covered by the report, and action taken, which affect specific areas on which assurance is being sought. The Committees report their conclusions to the Board.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

Risk management

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review of the Charity's activities. This process is coordinated through a regular reporting framework by the Phoenix Group Executive Team. The Phoenix Group Executive Team regularly considers reports on significant risks facing the Charity and the Phoenix Group Chief Executive is responsible for reporting to the Committees and the Board any significant changes affecting key risks.

Monitoring and corrective action

A process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the Board. This includes rigorous procedures for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2024

Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Board has adopted Group policies and procedures, in all relevant areas.

Information and financial reporting systems

Financial reporting procedures include a detailed budget for the year ahead. These are reviewed and approved by the Board. The Board also reviews reforecasts against budget.

The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes. The internal control framework and the risk management process are subject to regular review by the Committees which are responsible for providing independent assurance to the Board via regular reports. The Committees consider internal control and risk regularly during the period.

Fraud prevention, detection and reporting

A financial policy and financial controls and procedures have been established in order to prevent and detect fraud. The Charity operates a Fraud Register which itemises all instances of fraud/attempted fraud and the Audit & Control Committee regularly reviews the Fraud Register.

Review

The Directors, through the Audit & Control and Clinical Governance Committees, have reviewed the effectiveness of the Charity's system of internal financial control in operation during 2023-24 and up to date of approval of the financial statements and confirmed that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Charity.

Disclosure of information to the auditor

In the case of each person who was a director at the time this report was approved:

1. so far as that director was aware there was no relevant audit information of which the Charity's auditor was unaware; and
2. that director had taken all steps that the director ought to have taken as a
3. director to make himself or herself aware of any relevant audit information and to establish that the Charity's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31ST MARCH 2024

Directors

The Directors who served during the period were as follows:

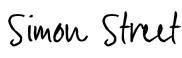
Dr Simon H Street
Ms Alison Cottrell (Appointed 13th December 2023)
Mrs Amanada Poole
Mr David Jones
Sheriff David Nicol Mackie
Mr Ian Watson (Resigned 13th December 2023)
Mr Scott Mandelbrote
Dr Suzanna Graham-Jones

All of the Directors are non-beneficial members of the Charity. All members of the Charity guarantee to contribute to a maximum of £1, should there be a call on their guarantee whilst members of the Charity or within one year after ceasing to be a member. The Directors of the Charity are also the Trustees.

Auditor

The current auditor, Beaver & Struthers Limited, is deemed to be reappointed as auditor.

Approved by the Board of directors on 1st August 2024 and signed on behalf of the Board by

DocuSigned by:

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Dr. Simon H Street
(Director)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEY COMMUNITY DRUG SERVICES

Opinion

We have audited the financial statements of Ley Community Drug Services (the 'charitable company') for the year ended 31 March 2024 which comprise of the Statement of Financial Activities including Income & Expenditure, the Balance Sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report and Financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEY COMMUNITY DRUG SERVICES (CONTINUED)

We have nothing to report in this regard.

Opinions 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 Trustee report, which includes the Directors' Report prepared for the purpose of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report contained within the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEY COMMUNITY DRUG SERVICES (CONTINUED)

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge and experience of the charity sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011 and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulation
- performed substantive procedures on income.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Signed by:



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Elizabeth Hatchman ACA

Senior Statutory Auditor

For and on behalf of

Beever & Struthers

150 Minorities

London

EC3N 1LS

13/08/2024

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2024

		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
		2024	2024	2024	2023	2023	2023
Notes		£	£	£	£	£	£
Income & Endowments from:							
Donations & Legacies	2	239	-	239	496	-	496
Charitable Activities -							
Interest Received	3	7,243	-	7,243	4,409	-	4,409
Other Income	4	81,893	-	81,893	-	-	-
Total Income		89,375	-	89,375	4,905	-	4,905
Expenditure on:							
Raising funds	5	34,150	-	34,150	-	-	-
Charitable Activities	6	116,590	-	116,590	101,655	-	101,655
Total Expenditure		150,740	-	150,740	101,655	-	101,655
Transfers between funds		12,158	(12,158)	-	6,380	(6,380)	-
Net (expenditure) / income for the year / Net movement in funds		(49,207)	(12,158)	(61,365)	(90,370)	(6,380)	(96,750)
Fund balances as at 31 st March 2023		2,067,018	150,007	2,217,025	2,157,388	156,387	2,313,775
Fund balances as at 31st March 2024		2,017,811	137,849	2,155,660	2,067,018	150,007	2,217,025

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed Assets					
Tangible Assets	10		3,268,199		800,060
Current Assets					
Debtors	11	-		4,804	
Cash at Bank and in Hand		138,097		1,573,173	
		<u>138,096</u>		<u>1,577,977</u>	
Creditors: Amounts Falling due within One Year	12				
		<u>(1,250,636)</u>		<u>(161,012)</u>	
Net Current (liabilities)/assets			(1,112,540)		1,416,965
Total assets Less Current Liabilities			<u>2,155,660</u>		<u>2,217,025</u>
Income Funds					
Restricted Funds	13		137,848		150,007
Unrestricted Funds			2,017,812		2,067,018
			<u>2,155,660</u>		<u>2,217,025</u>

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

The financial statements were approved and authorised for issue by the Board of Directors on the 1st August 2024 and were signed on its behalf by:

DocuSigned by:
Simon Street
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Dr. Simon H Street
(Director)

Signed by:
Alison Cottrell
FBBC9F0EDC944C7...

Alison Cottrell
(Director)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies

General information

Ley Community Drug Services is a wholly owned subsidiary of Phoenix Futures. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 03736193. It is also a registered charity, number 1074874, Its registered office is 26 Sandy Lane, Yarnton, Oxford, OX5 1PB.

The Charity is a public benefit entity within the meaning of FRS 102 paragraph PBE 3.3A.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements are presented in Sterling.

Going concern

As it is the Charity's intention to continue in business, the financial statements are prepared on a going concern basis. The trustees consider that there are no material uncertainties about the charities ability to continue as a going concern. The trustees are aware of key risks that may arise and have arrangements in place to mitigate those risks.

Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

No amount is included in the financial statements for the volunteer time in line with the SORP (FRS 102).

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024 (CONTINUED)

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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:

- Costs of raising funds includes the costs which are associated with raising funds from all the possible sources of incoming resources;
- Expenditure on charitable activities includes the expenditure incurred by the Charity in furtherance of the Charity's objects; and
- Other expenditure represents those items not falling into the categories above.

Support Costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Key sources of estimation uncertainty and judgements

In the preparation of the financial statements the Board is required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the period. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024 (CONTINUED)

1 Accounting policies (continued)

Key sources of estimation uncertainty and judgements (continued)

The judgements, estimates and assumptions which have the most significant effect on amounts recognised in the financial statements are discussed below:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets.

Identification of residential property components

The Charity accounts for its expenditure on residential properties using component accounting. Under component accounting, the residential property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components and in determining the useful economic lives of each component.

Residential property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Tangible Fixed assets

Tangible fixed assets and any additions to residential properties are stated at cost less any provision for any diminution in value and depreciation. The cost of land is not depreciated.

The cost of properties is the initial purchase price together with those costs that are directly attributable to acquisition and construction. Where an asset comprises components with materially different useful lives, those assets are separately identified and depreciated over those individual lives.

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefit is capitalised and the carrying amount of any replaced component or part component is derecognised.

Depreciation is provided on a straight line basis over the periods shown below:

Housing properties

Land	Infinite
Structure	50 years
Roofs	40 years
Heating System	30 years
Kitchens	15 years
Bathrooms	10 years

Other fixed assets are included at cost to the Charity less depreciation.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024
(CONTINUED)**

1 Accounting policies (continued)

Tangible Fixed assets (continued)

Other tangible fixed assets

Computer hardware and software	3 years
Equipment	3 years

Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

Where investments represent one entity gifting control to the other, the investment is initially recognised at the fair value of the gifted assets and liabilities, with a corresponding gain or loss recognised in the Statement of Comprehensive Income in the period of the transaction.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial Instruments

Financial assets and liabilities comprise trade and other debtors, cash and cash equivalents and trade and other payables.

Financial assets and financial liabilities are recognised when the Charity becomes party to the contractual provisions of the financial instrument.

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (normally the transaction price less transaction costs), unless the arrangement constitutes a financial transaction. If an arrangement constitutes a financial transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of Section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are only derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled,

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024 (CONTINUED)

1 Accounting policies (continued)

Financial Instruments (continued)

- the Charity transfers to another party substantially all the risk and rewards of ownership of the financial asset, or,
- the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Charity does not use standalone derivative financial instruments to reduce exposure to interest rate movements.

Impairment

Non-financial assets

Non-financial assets comprise residential properties.

Non-financial assets, other than those measured at fair value, are assessed for indications of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use.

Value in use for housing properties which are able to be let in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

Financial assets

Financial assets comprise trade and other debtors, cash and cash equivalents, and trade and other creditors.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024
(CONTINUED)**

1 Accounting policies (continued)

Provisions

Provisions for liabilities and charges are recognised when the Charity has a present obligation (whether legal or construction) as a result of a past event that can be reliably estimated and it is probable that a transfer of economic benefit will be required to settle the obligation.

Taxation

All income is applied solely for charitable purposes and therefore any surplus is exempt from corporation tax.

Revenue Reserves

Restricted Reserves comprise of monies which have an imposed condition or are restricted to a specific purpose. Upon the conditions of the restriction being met, the funds are released.

2. Donations and Legacies

	Unrestricted Funds	Unrestricted Funds
	2024	2023
	£	£
Donations & Gifts	239	496

3. Interest Receivable

	Unrestricted Funds	Unrestricted Funds
	2024	2023
	£	£
Bank Interest Received	7,243	4,409

4. Other Income

	Unrestricted Funds	Unrestricted Funds
	2024	2023
	£	£
Rental income	81,893	-

5. Raising Funds

	Unrestricted Funds	Unrestricted Funds
	2024	2023
	£	£
Interest payable	34,150	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024 (CONTINUED)

6. Charitable Activities

	Unrestricted Funds 2024 £	Unrestricted Funds 2023 £
Depreciation & Impairments	35,878	-
Consultancy Salary Costs	5,610	21,305
Subscriptions & Renewals	251	550
Printing, Postage, Stationary & Photocopying	395	374
Other Staff Costs (inc motor expenses)	579	543
Office Equipment	1,902	2,156
Telephone	-	339
Sundries	-	179
Lighting & Heating	29,784	2,562
Rates, Security & Insurance	32,760	31,050
Repairs & Renewals	2,231	4,370
Professional Fees	-	25,647
	<hr/> 109,390	<hr/> 89,075
Share of Governance costs (see note 7)	7,200	12,580
	<hr/> 116,590	<hr/> 101,655

7. Governance Costs

	Support Costs £	Governance Costs £	2024 £	Support Costs £	Governance Costs £	2023 £
Audit/Independent Examiner's Fees	-	7,200	7,200	-	12,580	12,580
	<hr/> -	<hr/> 7,200	<hr/> 7,200	<hr/> -	<hr/> 12,580	<hr/> 12,580
Analysed between						
Charitable Activities	<hr/> -	<hr/> 7,200	<hr/> 7,200	<hr/> -	<hr/> 12,580	<hr/> 12,580

8. Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the period.

No trustees (2023: none) are accruing pension arrangements.

During the period Directors' liability insurance of £nil was paid (2023: £nil). Phoenix Group hold Directors' liability Insurance which extends to The Ley Board members. The Directors are also the trustees.

The total amount of employee benefits received by key management personnel was £nil (2023: £nil), as the CEO post was covered on a consultancy agreement basis as detailed in the Related Party transaction note to the accounts. The Charity considers its key management personnel comprise of the Phoenix CEO and Executive Team.

9. Employees

There were no employees during the period, nor in the prior year (2023).

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024 (CONTINUED)

10. Tangible Fixed Assets

	Freehold Land & Buildings	Improvements to Freehold Property	Other Fixed Assets	Total
	£	£	£	£
Cost				
At 31 st March 2023	159,055	885,659	-	1,044,714
Additions	-	2,412,080	91,937	2,504,017
As at 31st March 2024	159,055	3,297,739	91,937	3,548,731
Depreciation & Impairment				
At 31 st March 2023	52,355	192,299	-	244,654
Additions	1,060	28,600	6,218	35,878
As at 31st March 2024	53,415	220,899	6,218	280,532
Carrying Amount				
At 31 st March 2023	106,700	693,360	-	800,060
As at 31st March 2024	105,640	3,076,840	85,719	3,268,199

11. Debtors

	2024 £	2023 £
Amounts Falling Due Within One Year		
Prepayments & Accrued Income	-	4,804

12. Creditors: Amounts Falling Due Within One Year

	2024 £	2023 £
Trade Creditors	-	16,107
Other Creditors	13	13
Accruals	62,085	13,104
Amounts owed to Parent Company (see below)	1,188,538	131,788
	1,250,636	161,012

13. Restricted Funds

Restricted funds are held for the purposes for which they were given, as specified below. The Adrian Van Hoorn Bursary will be drawn down to support the treatment of disadvantaged women at Ophelia House Residential Service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024 (CONTINUED)

	Balance at 31 st March 2023	(Outgoing) Incoming Resources	Balance at 31 st March 2024
	£	£	£
Kitchen Refurbishment	622	(622)	-
Refurbishment Funds	5,947	(5,947)	-
Resident Activities	12,848	-	12,848
Computers	240	(240)	-
Library	350	(350)	-
Female Accommodation	5,000	(5,000)	-
Adrian Van Hoorn Bursary	125,000	-	125,000
	<u>150,007</u>	<u>(12,159)</u>	<u>137,848</u>

14. Analysis of Net Assets between Funds

	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£	£	£	£
Fund balances at 1st March 2024 are represented by:						
Tangible Assets	3,268,199	-	3,268,199	793,252	6,808	800,060
Current Assets / Liabilities	(1,250,387)	137,848	(1,112,539)	1,273,766	143,199	1,416,965
	<u>2,017,812</u>	<u>137,848</u>	<u>2,155,660</u>	<u>2,067,018</u>	<u>150,007</u>	<u>2,217,025</u>

15. Related party transactions

No donations have been received during the year by the Charity from Board members (2023: £10,250 was paid to CaN Consulting which is owned by D Worthington (Chief Executive) for interim CEO duties).

As at year end there is an intragroup loan between the parent company Phoenix Futures and its subsidiary Ley Community Drug Services of £1.2m (2023 : nil). Interest is charged on the loan at the Bank of England interest rate.

16. Parent undertaking

The charitable company's ultimate parent is Phoenix House (Trading as Phoenix Futures), incorporated in England, Wales and Scotland. It is a company limited by guarantee and a registered social housing provider. Phoenix Futures prepares group financial statements and these are available from the company's registered office at Phoenix House, 68 Newington Causeway, London, SE1 6DF.

LEY COMMUNITY DRUG SERVICES

England & Wales - Charity number 1074874

Accounts

Charity Registration No. 1074874

Company Registration No. 3736193 (England and Wales)

LEY COMMUNITY DRUG SERVICES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

LEY COMMUNITY DRUG SERVICES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr Simon Street J Phillips (Treasurer) Dr S Graham-Jones D Jones S Mandelbrote A Poole	(Appointed 5 November 2021)
Chief Executive	Darren Worthington	
Charity number	1074874	
Company number	3736193	
Registered office	The Ley Community Mandelbrote House 26 Sandy Lane Yarnton Oxford OX5 1PB	
Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford Oxfordshire OX1 2EP	
Bankers	Barclays Bank plc P O Box 858 Wytham Court 11 West Way Botley OX2 0XP	

LEY COMMUNITY DRUG SERVICES

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LEY COMMUNITY DRUG SERVICES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees present their annual report and financial statements for the year ended 30 September 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are as set out in the Memorandum of Association are 'the relief of sickness and destructive behaviour of persons caused by the use of drugs, alcohol and other substance abuse or by disorder of personality'.

The Mission Statement for the Ley Community Drug Services states: 'The Ley is an inclusive, peer-led therapeutic community that uses evidence-based practice to challenge harmful behaviours and equips the people it helps with the learning, self-belief and resilience needed to transform their lives'.

Each year, the Board of Trustees adopts a Three Year Rolling Strategic Business and Operational Plan at the December Board Meeting. The Operational Plan sets out clear objectives for the year covering the full remit of the charity's activities. At each year's October Board Meeting, the Chief Executive provides the Board with a report on the progress made towards achieving the objectives in the first six months of the annual cycle.

Public Benefit Statement

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Beneficiaries from the Ley Community Charities work

The Ley Community is a national resource accepting adult (18 years+) men and women who have serious addiction problems. We accept referrals from throughout the UK.

The residential therapeutic community programme approach is aimed at providing residents with an abstinence route to recovery and re-engagement into mainstream society as contributing citizens. On completion of the programme residents secure employment, independent housing, often re-engaging with their family and develop and sustain healthy relationships and friendships within the community providing social and economic benefit to the wider community.

The Ley Community therapeutic recovery programme route to recovery reduces crime and criminal activities, dependence on an illegal substance, a burden on families, the general public, police, courts and the health service.

How we respond to residents' need and how do residents influence the Ley Community Charity's developments?

A person centred care plan is established with each resident and their key worker with clear well defined and achievable goals set within a staged intensive structured process of progression.

The therapeutic approach to recovery is peer driven and as residents progress through the stages they take on increased responsibility for the operational activities and management of the programme and become role models for new residents to learn from.

This approach enables residents to develop a range of coping strategies to use post programme completion to remain substance free and live a healthy lifestyle.

LEY COMMUNITY DRUG SERVICES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Fees Charges to Local Authorities purchasing bodies

The programme fee is worked out by analysing the overall budget for the operational delivery element, leadership, management and administration costs. This is kept to a minimum as the Ley is a not-for-profit organisation and its intention is always to enable as many addicts entry into its treatment programme without too many barriers, cost being one of them.

Restrictions to our service

Some restrictions to the treatment programme exist and include certain high category offenders but all admissions are evaluated on a case-by-case basis. This is to protect other vulnerable adults within the programme.

Equality and Diversity

The Ley Community values and respects diversity, promoting equality of opportunity and respecting human rights in all areas of activity. We recognise the benefits that a diverse organisation can bring to all areas of our work, and acknowledge our responsibility to promote awareness and sensitivity beyond the boundaries of the organisation through our partnerships, suppliers and service users. The Ley Community aims to ensure that the best candidate is chosen for each job regardless of sex, race, disability or other personal characteristics.

Achievement and Performance 2020 - 2021

In the reporting period, the Ley Community has remained operationally dormant and continued to focus all efforts and resources on completing the sale of land assets for reinvestment, and the associated activities.

Principally, these efforts have been directed at achieving the necessary agreements and permissions to redevelop the Ley site. These matters were resolved with the permissions for redevelopment granted by the Local Planning Authority in October 2020 and sale completed in April 2021.

The funds from the sale of land assets means that the Ley service is able to remain on the current site and the Charity is now in a healthy financial position and with no liabilities to constrain future development of the retained properties and service.

The Board of Trustees have also worked tirelessly to fully understand the range of strategic options now available to the Ley and this work continues with the aim of completion in 2022.

Although many challenges were faced, and overcome, in arriving at this position, not least the impacts on the redevelopment process created by the C-19 pandemic, the Ley can now look toward the future with renewed optimism.

Our primary objective for the next year is to ensure that remaining Ley assets are optimised to deliver the intended service user benefits and purpose of the Charity.

Financial review

Admissions were suspended and the service wound down in the previous financial year. Therefore, the organisation received no income from traditional operational activities. This was expected and accounted for by Trustees.

Financial overview

Plans to redevelop the site and programme had a significant impact on The Leys finances. Unexpected delays resulting from the Covid 19 pandemic increased this impact substantially. Costs were strictly controlled during this extended period ensuring that The Ley could meet all of its financial commitments and governance requirements up to the point of sale. The organisation continued to receive the support of its bankers, Barclays Bank, throughout this period. On completion of the sale in April 2021 our obligations to Barclays Bank and the Department of Health and Social Care (in respect of an aged land charge) were met in full.

Reserves policy

The current Ley reserves policy is to maintain unrestricted cash reserves to cover six-months operating costs.

LEY COMMUNITY DRUG SERVICES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Organisational Risk Management

The Board of Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. Risk assessments are reviewed regularly by the Trustees.

Structure, governance and management

The Ley Community was founded in 1971. It had formerly been registered as an Industrial and Provident Society (No 20881R) until 15 March 1999, when by Special Resolution, its status was changed to that of a charitable company limited by guarantee under the name of Ley Community Drug Services (No 3736193). The Ley Community Drug Services was registered as a charity (No 1074874) on 16 September 1998.

The governing documents are the Memorandum and Articles of Association.

As stated in the Memorandum of Association, the Ley Community does not have share capital. Every member of the Charity undertakes to contribute such amount as may be required (not exceeding £1) to the Charity's assets if it should be wound-up.

The Ley Community Drug Services aims to have twelve Trustees. The Board of Trustees meets regularly to oversee the work of the Community. The Chief Executive provides a full report on the activities of the Charity. These reports have included detailed consideration of the strategic options for the Charity, financial viability and associated risks.

The Board of Trustees has set-up a number of sub-committees to deal with specific and current issues.

Recruitment and Appointment of Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr Simon Street	
J Phillips (Treasurer)	
P Bradley	(Resigned 21 January 2021)
S Elliott	(Resigned 10 August 2021)
Dr S Graham-Jones	
D Jones	(Appointed 5 November 2021)
S Mandelbrote	
A Poole	

The overall responsibility of the Ley Community Drug Services rests with the Board of Trustees, who are also appointed as Directors of the Charitable Company. An informal skills audit process governs the selection of Trustees, and appointments are made in accordance with the Articles of Association by receipt and approval of an application for membership. The current Board of Trustees includes members with experience of running businesses in the private sector and retired General Practitioners with experience of working in the substance misuse treatment sector.

Authority from the Board of Trustees is delegated to the Chief Executive who is responsible for the day to day operations of the charity.

LEY COMMUNITY DRUG SERVICES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees and the Chief Executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give their time freely and no Trustee remuneration was paid in the period. Details of Trustee expenses and related party transactions are disclosed in notes 11 and 21 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

The pay of the Chief Executive is reviewed annually and is normally increased in accordance with average earnings. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

Future Strategy and Developments

All work during the reporting period has continued to focus on preparing the Ley to deliver its strategic vision, and against the backdrop of an increasingly challenging funding environment

To enable this transition, the Ley has raised the required funds through sale of land assets. This will provide investment to deliver its future strategy.

Although the Ley has experienced delays in implementing its change vision, the Boards commitment to the guiding principle of protecting the Ley's legacy and Mission remains.

Work continues to finalise strategy and complete redevelopment of the site and we envisage this work will continue through 2022.

Management and Controls

The priority is to ensure the Ley has the capabilities and competencies needed to deliver its strategy and meet the required governance expectations. This requires strong leadership at all levels of the organisation. To ensure the Ley has the right platform in place to deliver its strategy it will:

- Ensure all Board of Trustee members are aware of their role and responsibilities
- Ensure the CEO is adequately equipped and supported to deliver all aspects of strategy
- Ensure all investment decisions are effectively appraised
- Learn from our experiences and use this as the backdrop for all development decisions

The trustees' report was approved by the Board of Trustees.


.....
Dr Simon Street

Chair of the Board of Trustees

Dated: 31.3.22

LEY COMMUNITY DRUG SERVICES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees, who are also the directors of Ley Community Drug Services for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 reasonable steps for the prevention and detection of fraud and other irregularities.

LEY COMMUNITY DRUG SERVICES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LEY COMMUNITY DRUG SERVICES

Opinion

We have audited the financial statements of Ley Community Drug Services (the 'charity') for the year ended 30 September 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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.

Other matter

Comparative information in the financial statements is derived from the company's prior period financial statements which were not audited.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LEY COMMUNITY DRUG SERVICES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LEY COMMUNITY DRUG SERVICES

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with Directors/Trustees, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company,
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

LEY COMMUNITY DRUG SERVICES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LEY COMMUNITY DRUG SERVICES

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LEY COMMUNITY DRUG SERVICES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LEY COMMUNITY DRUG SERVICES

Use of our report

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



Katherine Wilkes (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP

14 April 2022
.....

Chartered Accountants
Statutory Auditor

Beaver House
23-38 Hythe Bridge Street
Oxford
Oxfordshire
OX1 2EP

Critchleys Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

LEY COMMUNITY DRUG SERVICES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2021

		Unrestricted funds 2021	Restricted funds 2021	Total 2021	Unrestricted funds 2020 Unaudited	Restricted funds 2020 Unaudited	Total 2020 Unaudited
	Notes	£	£	£	£	£	£
<u>Income and endowments from:</u>							
Donations and legacies	3	1,602	-	1,602	2,377	125,000	127,377
Charitable activities - Drug rehabilitation income	4	40,477	-	40,477	31,849	-	31,849
Investments	5	93	-	93	282	-	282
Other income	6	1,718,480	-	1,718,480	11,729	-	11,729
Total income		1,760,652	-	1,760,652	46,237	125,000	171,237
<u>Expenditure on:</u>							
Raising funds	7	258	-	258	216	-	216
Charitable activities	8	426,681	-	426,681	235,254	-	235,254
Total resources expended		426,939	-	426,939	235,470	-	235,470
Net income/(expenditure) for the year/ Net movement in funds		1,333,713	-	1,333,713	(189,233)	125,000	(64,233)
Fund balances at 1 October 2020		967,558	156,387	1,123,945	1,156,791	31,387	1,188,178
Fund balances at 30 September 2021		2,301,271	156,387	2,457,658	967,558	156,387	1,123,945

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LEY COMMUNITY DRUG SERVICES

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021		2020 Unaudited	
		£	£	£	£
Fixed assets					
Tangible assets	13		414,810		1,286,462
Current assets					
Debtors	14	10,173		16,147	
Cash at bank and in hand		2,112,515		125,834	
		<u>2,122,688</u>		<u>141,981</u>	
Creditors: amounts falling due within one year	15	(79,840)		(304,498)	
Net current assets/(liabilities)			2,042,848		(162,517)
Total assets less current liabilities			<u>2,457,658</u>		<u>1,123,945</u>
Income funds					
Restricted funds	18		156,387		156,387
Unrestricted funds			2,301,271		967,558
			<u>2,457,658</u>		<u>1,123,945</u>

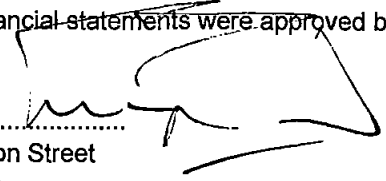
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 31.3.22


.....
Dr Simon Street
Trustee

Company Registration No. 3736193

LEY COMMUNITY DRUG SERVICES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021		2020 Unaudited	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	22		(354,321)		(111,340)
Investing activities					
Proceeds on disposal of tangible fixed assets		2,557,836		1,200	
Investment income received		93		282	
Net cash generated from investing activities			2,557,929		1,482
Financing activities					
Repayment of borrowings		(216,927)		216,927	
Net cash (used in)/generated from financing activities			(216,927)		216,927
Net increase in cash and cash equivalents			1,986,681		107,069
Cash and cash equivalents at beginning of year			125,834		18,765
Cash and cash equivalents at end of year			2,112,515		125,834

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Charity information

Ley Community Drug Services is a private company limited by guarantee incorporated in England and Wales. The registered office is The Ley Community, Mandelbrote House, 26 Sandy Lane, Yarnton, Oxford, OX5 1PB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees consider that there are no material uncertainties about the charities ability to continue as a going concern. The recent realisation of the land asset has ensured that funds are available to the organisation. The trustees are aware of key risks that may arise and have arrangements in place to mitigate those risks.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

No amount is included in the financial statements for the volunteer time in line with the SORP (FRS 102).

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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:

- Costs of raising funds includes the costs which are associated with raising funds from all the possible sources of incoming resources;
- Expenditure on charitable activities includes the expenditure incurred by the charity in furtherance of the charity's objects; and
- Other expenditure represents those items not falling into the categories above.

Support Costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Assets costing more than £1,000 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil
Fixtures and fittings	33% straight line / 25% reducing balance
Improvements to freehold property	2% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies **(Continued)**

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies **(Continued)**

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Tangible fixed assets (see note 13)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values,

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021	2020	2020	2020
	£	Unaudited £	Unaudited £	Unaudited £
Donations and gifts	1,602	2,377	125,000	127,377
	<u>1,602</u>	<u>2,377</u>	<u>125,000</u>	<u>127,377</u>

4 Charitable activities - Drug rehabilitation income

	2021	2020
	£	Unaudited £
Local Authority Fees	40,477	31,849
	<u>40,477</u>	<u>31,849</u>
Analysis by fund		
Unrestricted funds	<u>40,477</u>	<u>31,849</u>

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	Unaudited £
Bank interest received	93	282

6 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	Unaudited £
Net gain on disposal of tangible fixed assets	1,716,014	1,200
State benefits	2,466	10,524
Other	-	5
	<u>1,718,480</u>	<u>11,729</u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	Unaudited £
Professional services and consultancy	258	216
	<u>258</u>	<u>216</u>

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

8 Charitable activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 Unaudited £
Staff costs	64,803	78,786
Depreciation and impairment	29,830	33,881
Consultancy salary costs	62,825	63,782
Subscriptions and renewals	1,283	994
Printing, postage, stationary and photocopying	344	(43)
Household, tuck shop and personal expenses	3,297	575
Other staff costs (inc motor expenses)	1,379	199
Bad debts and sales ledger credits written off	(1,988)	(11,332)
Telephone	2,657	2,116
Sundries	9,237	7,928
Lighting and heating	1,674	12,387
Rates and insurance	18,595	27,297
Repairs and renewals	6,574	15,084
Building project	161,059	-
Professional fees	57,792	-
	<u>419,361</u>	<u>231,654</u>
Share of governance costs (see note 9)	7,320	3,600
	<u>426,681</u>	<u>235,254</u>

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 Unaudited £
Auditor's fees	-	7,320	7,320	-	3,600	3,600
	<u>-</u>	<u>7,320</u>	<u>7,320</u>	<u>-</u>	<u>3,600</u>	<u>3,600</u>
Analysed between Charitable activities	-	7,320	7,320	-	3,600	3,600
	<u>-</u>	<u>7,320</u>	<u>7,320</u>	<u>-</u>	<u>3,600</u>	<u>3,600</u>

Governance costs includes payments to the auditors of £7,320 (2020 Unaudited- £nil) for audit fees. In 2020, governance costs were in respect of an Independent Examination.

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor and associates:	2021	2020
	£	Unaudited £
Audit of the charity's annual accounts	7,320	-

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

No Trustees (2020: none) are accruing pension arrangements.

During the year Directors' liability insurance of £983 was paid (2020: £983).
The Directors are also the Trustees.

The total amount of employee benefits received by key management personnel was £nil (2020: £nil), as the CEO post was covered on a consultancy agreement basis as detailed in the Related Party transaction note to the accounts. The charity considers its key management personnel comprise the Board of Trustees and CEO.

12 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Unaudited Number
Programme staff	1	1
Administrative staff	1	1
Total	2	2

Employment costs	2021	2020
	£	Unaudited £
Wages and salaries	59,581	70,599
Social security costs	5,050	7,898
Other pension costs	172	289
	64,803	78,786

Redundancy payments totalling £10,976 (2020: none) were paid out to 2 employees in the year (2020: none)

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Improvements to freehold property	Total
	£	£	£	£
Cost				
At 1 October 2020	467,803	157,524	1,488,528	2,113,855
Disposals	(308,748)	(157,524)	(998,503)	(1,464,775)
At 30 September 2021	159,055	-	490,025	649,080
Depreciation and impairment				
At 1 October 2020	153,984	155,365	518,044	827,393
Depreciation charged in the year	-	609	29,221	29,830
Eliminated in respect of disposals	(101,629)	(155,974)	(365,350)	(622,953)
At 30 September 2021	52,355	-	181,915	234,270
Carrying amount				
At 30 September 2021	106,700	-	308,110	414,810
At 30 September 2020	313,819	2,159	970,484	1,286,462

14 Debtors

	2021	2020
	£	Unaudited £
Amounts falling due within one year:		
Prepayments and accrued income	10,173	16,147

15 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	Unaudited £
Bank overdraft		-	216,927
Other taxation and social security		-	1,145
Deferred income	16	6,006	47,674
Trade creditors		54,812	21,139
Other creditors		11,754	15,463
Accruals		7,268	2,150
		79,840	304,498

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Deferred income

	2021	2020
	£	Unaudited £
Arising from Deferred income	6,006	47,674

The balance comprises of £47,674 brought forward, £nil charged to deferred income and £41,668 released to income in the year to reach a year end balance of £6,006.

The balance mostly relates to funding received for residents from the council/ directly from the residents themselves. It has built up when residents leave and then the funding is not clawed back. It is the policy of the charity to write off these balances and take to income after 3 years as by this point it is very unlikely funds will be clawed back.

17 Retirement benefit schemes

Defined contribution schemes

The charity makes contributions to the personal pension schemes of individual employees. The charity has made a stakeholder scheme available to its employees and contributes up to 6% of salary.

The charge to profit or loss in respect of defined contribution schemes was £172 (2020 Unaudited - £289).

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 October 2019	Movement in funds Incoming resources	Balance at 1 October 2020	Movement in funds Incoming resources	Balance at 30 September 2021
	£	£	£	£	£
Kitchen refurbishment	622	-	622	-	622
Refurbishment funds	5,947	-	5,947	-	5,947
Resident activities	12,848	-	12,848	-	12,848
Computers	240	-	240	-	240
PHE - Recovery housing	6,380	-	6,380	-	6,380
Library	350	-	350	-	350
Female accommodation	5,000	-	5,000	-	5,000
Adrian Van Hoorn Bursary	-	125,000	125,000	-	125,000
	<u>31,387</u>	<u>125,000</u>	<u>156,387</u>	<u>-</u>	<u>156,387</u>

Kitchen Refurbishment

This fund pays for refurbishment of the kitchen.

Refurbishment funds

This fund consisted of monies donated for general refurbishment and site redecoration.

Resident activities

This fund consists of monies donated for hobby activities

Computers

This fund is for the provision of new computers and IT equipment.

PHE - Recovery housing

This fund was originally awarded to build five recovery housing units. An amendment to the purpose of the funds was agreed during 2015/16, with the monies to be used for the refurbishment of Palmer House to enable its use for recovery housing.

Library

This fund is for the purchase of books for residents.

Female accommodation

This fund is to fund female residents with improvements to their accommodation.

Adrian Van Hoorn Bursary

This fund will be used to provide future placements on the Ley Community programme for individuals that cannot access funding - full or in part - via traditional funding routes, but require urgent care.

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

19 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 Unaudited £	Restricted funds 2020 Unaudited £	Total 2020 Unaudited £
Fund balances at 30 September 2021 are represented by:						
Tangible assets	414,810	-	414,810	1,286,462	-	1,286,462
Current assets/ (liabilities)	2,042,848	-	2,042,848	(162,517)	-	(162,517)
	<u>2,457,658</u>	<u>-</u>	<u>2,457,658</u>	<u>1,123,945</u>	<u>-</u>	<u>1,123,945</u>

20 Financial commitments, guarantees and contingent liabilities

On completion of the sale of freehold property held by the charity a payment of £300,000 has been agreed in regards to a covenant charge on the property. It has been agreed that this will be paid in two instalments, the first £150,000 will be due at the point of sale. The remaining £150,000 will be carried forward with a first charge on the retained section of property and will be paid within 10 years of the sale with interest applied annually in line with the consumer price index. The charge to the Department of Health and Social Care was settled in full in April 2021.

21 Related party transactions

During the year £57,000 (2020: £49,500) was paid to CaN Consulting which is owned by D Worthington (Chief Executive) for interim CEO duties.

22 Cash generated from operations

	2021 £	2020 Unaudited £
Surplus/(deficit) for the year	1,333,713	(64,233)
Adjustments for:		
Investment income recognised in statement of financial activities	(93)	(282)
Gain on disposal of tangible fixed assets	(1,716,014)	(1,200)
Depreciation and impairment of tangible fixed assets	29,830	33,881
Movements in working capital:		
Decrease in debtors	5,974	34,178
Increase/(decrease) in creditors	33,937	(161,358)
(Decrease)/increase in deferred income	(41,668)	47,674
Cash absorbed by operations	<u>(354,321)</u>	<u>(111,340)</u>

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

23 Analysis of changes in net funds/(debt)

	At 1 October 2020 £	Cash flows At 30 September 2021 £	
Cash at bank and in hand	125,834	1,986,681	2,112,515
Loans falling due within one year	(216,927)	216,927	-
	<u>(91,093)</u>	<u>2,203,608</u>	<u>2,112,515</u>