

Registered Charity Number
1080634

Charity Incorporated Organisation (CIO) Number
1175541

The Living Room

Report and Accounts

31 March 2022

The Living Room
Report and accounts
Contents

	Page
Report of the Trustees and Annual Review	1 - 17
Independent Examiner's report	18 - 19
Statement of Financial Activities	20
Balance sheet	21
Notes to the accounts	22 - 25
Detailed Statement of Financial Activities	26 - 27



Annual Report of Trustees 2021 - 2022

In the face of unprecedented challenges, we have continued to adapt our service to help people overcome addiction. 65% of our clients are in sustained recovery following our help, compared to the national average of 50%.

Our annual report shows the work The Living Room does to help change the lives of people living with addictions, support their loved ones and to champion therapeutic interventions. The long-term impact we measure of graduates from the service shows the lasting effect on people's health, wellbeing and stability after they leave our services.

The Living Room's purpose has always (since 2000) been to break the cycle of addiction for social good. In our new 5-year strategy, our purpose remains constant, but we will focus on how we achieve it. Our two innovation themes are we will take a client-centred approach and consider sustainability in all we do.

Relationship building is a vital thread throughout our service delivery and organisational health. We will ensure we are inclusive, effective and have a sustainable impact on our clients' lives. We will nurture relationships in communities and work collaboratively to grow our presence and improve our holistic support.

ANNUAL REPORT STATEMENT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The board of Trustees are satisfied with the performance of the charity during the year and the position at 31st March 2022 and consider that the charity is in a strong position to continue its activities during the coming year and that the charity's assets are adequate to fulfil its obligations.

COMPLIANCE WITH THE CHARITY GOVERNANCE CODE

The aim of the Charity Governance Code is to help charities and their trustees develop high standards of governance. As a sector, we owe it to our beneficiaries, stakeholders and supporters to demonstrate exemplary leadership and governance. The Code is not a legal or regulatory requirement. Instead, the Code sets the seven principles and recommended practice for good governance and is deliberately aspirational, a tool for continuous improvement towards the highest standards.

There is an annual compliance review of the Charity Governance Code, highlighting areas for improvement and incorporate those into the yearly action plan.

RELATED PARTIES

None of the trustees receives remuneration or other benefit from their work with the charity.

Trustees are invited to declare any relevant conflicts of interest at each board meeting, and formally requested to submit an annual register of interests' form. Board members reported no relevant interests or transactions.

ANNUAL REPORT

The board of trustees of The Living Room present its annual report and financial statements for the year ended 31st March 2022. The financial statements comply with the Charities Act 2011 and SORP regulations.

REFERENCE AND ADMINISTRATIVE DETAILS

Status	The Living Room is a Charitable Incorporated Organisation (CIO) – Foundation	
Also known as	Living Room Herts, The Living Room Hertfordshire, TLR, TLRH	
Governing document	The Living Room is governed by its Constitution, as adopted on 02 November 2017 amended 26 September 2019.	
Company number	N/A	
Charity number	CIO 1175541 (previously 1080634)	
Registered office and operational address	8-10 The Glebe Chells Way Stevenage Hertfordshire SG2 0DJ	
Trustees	Robert Henry John Palmer Daniel Marshall Jonas Schirm Eddie Mills Jenny Brace Tracy Lacey-Smith Charles King Fateh Hamoudi Ramesh Summan Danny McGovern	<i>CHAIR (date up to 17/02/2022)</i> <i>VICE-CHAIR (date up to 24/03/2022)</i> CHAIR (date from 24/03/2022) <i>TREASURER (date up to 24/03/2022)</i> VICE-CHAIR (date from 24/03/2022) (date from 24/03/2022) (date from 24/03/2022) <i>TREASURER</i> (date from 28/04/2022)
Chief Executive Officer	Adrienne Arthurs	
Banker	HSBC Town Centre, Danestrete, Stevenage, Hertfordshire SG1 1BY	
Chartered Accountants and Statutory Auditors	Hargreaves Owen Ltd Red Sky House, Fairclough Hall, Halls Green, Weston. Hertfordshire SG4 7DP	

OUR PUBLIC BENEFIT

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's objectives and activities, and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the objectives and activities that have been set.

The Living Room delivers public benefit through providing free, non-time-limited, facilitated, group counselling treatment to break the cycle of addiction for adults and family members or carers of someone with an addiction. By providing non-time-limited, abstinence-based, peer-support group therapy to any adult with an addiction that needs help to stop and stay stopped. Or providing a support peer group for family members or carers of a loved one with an addiction.

We provide people with the opportunity to explore the root cause of their own or their loved one's addiction and their responsibility in that. We help people to understand the underlying trauma and/or bereavement, which enables people to make connections with others and learn tools and strategies to lead a healthy and happy life; one that benefits future generations, the economy and communities and doesn't rely on an addiction for comfort. We believe that everyone has potential and a life worth living.

OUR PEOPLE

The Executive Team:

- Adrienne Arthurs, Chief Executive; (and Safeguarding DP)
- Rita Cooper, Clinical Director (and Safeguarding RP)
- Mark Wiseman, External Relations Director (and Shops)
- Susan Hudson, Corporate Services Director (and Data Protection Officer)

The Senior Leadership Team:

- Debbie Coote, Clinical Manager; (and Counselling Manager Watford)
- Cerise James (Fundraising and Marketing Manager)

16 FTE Counsellors and administrators to support the work across all four hubs.

12 Volunteers

OUR TRUSTEES

Board meetings of the Trustees and the CEO occur quarterly, with Extra-Ordinary meetings called in-between, when the need arises e.g. change of chair etc. Decisions are taken at the board meeting when the meeting is quorate, but also communication is by email. Some meetings are in-person and most conducted via video conferencing software (Zoom).

Trustees serve for 3 years, to a maximum of 3 x 3 years and are encouraged to use their skills, experience and knowledge to guide and support the strategic direction of the organisation. The running of the organisation and operations are delegated to the CEO, however, the Chair and Vice-Chair meet regularly.

Bi-monthly the Finance Committee meets, considering TLR finances and making recommendations to the board for decision.

The Executive Team are invited to attend the Board Meeting of Trustees.

Trustees are recruited from the general public, although people with lived experience of recovery and ex-service users are encouraged to join the board. Two spaces are allocated specifically. The CEO and the Chair provide new trustees with an induction and ongoing support.

INTRO FROM OUR CHAIR OF THE BOARD OF TRUSTEES



Daniel Marshall
Chair of the Board
(June 2022)

Having been Chair for just a week of the financial year this report relates to, I want to start by giving credit and gratitude to my predecessor, Rob Henry, who chaired the Board superbly for the past 4 years. When I first joined as a Trustee almost five years ago, the organisation had low reserves, much lower income, and was nowhere near as financially resilient and sustainable as it is now. Huge credit for that goes to Adrienne and her team, but Rob as Chair, John as Vice-Chair, and Jonas as Treasurer, deserve a huge amount of credit too. John has kindly agreed to remain on the Board to continue to ensure a smooth continuation, and I'm grateful for his work and support.

Looking forward, I am immensely proud to be Chair of a charity, which has such a demonstrable impact on the lives of people it helps. Addiction has far-reaching, serious impacts on the lives of people, and those around them. We helped 340 people last year and, crucially, 65% of those sustain their recovery. I am also delighted to be working with such a committed and skilled group of Trustees. It is always worth remembering that Trustees are volunteers too, and I want to thank and commend my fellow Trustees who continue to show great commitment and passion for this cause, often having to weigh up difficult decisions in such a challenging financial climate.

I believe it is a sign of our strength as a Trustee Board that we've been able to quickly ensure that we have a brilliant Vice-Chair and Treasurer in place in Eddie Mills and Danny McGovern. This upcoming year we will be carrying out a review of our governance, again confident that we are coming from a place of strength and really testing ourselves as to how we can ensure that we're as robust, and effective as we possibly can be.

I want to also take the opportunity to thank Adrienne and her committed team of staff and volunteers. We are fortunate to have a high-performing team, with a culture, which is centred around constantly challenging ourselves as to how we can secure even better outcomes for those who access our services. The team continue to deliver brilliant outcomes in every aspect of the business, and should be proud of everything they have achieved. Adrienne and her Executive team display superb leadership, again facing difficult strategic decisions every day.

Finally, to our stakeholders and funders, we're looking forward to continuing to work with you on the challenges our clients face. It is important to highlight that these challenges are probably bigger than

ever before; we have a deeply unequal society coming out of the pandemic, inflation at its highest for 40 years, and a cost of living crisis putting immense pressure on household budgets. We can expect demand for our services to rise, and increasing complexity of cases, as a result. Nevertheless, I feel confident that we have the people capable of facing up to these challenges, and I look forward to working with everyone in doing so.

COMMENTS FROM OUR CHIEF EXECUTIVE



Adrienne Arthurs
Chief Executive
(May 2022)

Despite another year dominated by Coronavirus and restriction challenges, there is much to be proud of. The team managed to continue our vital services, sometimes in a different format, with extra safety measures, but always professional and person centred. The number of people attending our services did reduce as we couldn't be at full capacity, however the priority was a safe and secure environment for them and our colleagues.

Our priority was to continue our work to reduce the risk associated with addictions. It was imperative we continue to provide a daily service, with consistent messages of self-love and improving self-esteem. Routine and connections for our clients and carers or family members of someone with an addiction are a lifeline for many. The result of the challenges was that people attended our services for longer, with their mental health reported to be affected by isolation and the threat of a spreading Coronavirus.

Addiction tends to be stigmatised as something self-inflicted and controllable with a bit of self-will, but it is an illness and people living with an addiction deserve support, treatment and understanding just like anyone else with a health condition. Everyone knows someone who has experienced addiction at some point in their lives, from substance misuse to gambling or gaming addiction.

Trauma lies at the heart of all addictive behaviour and our group therapy model provides a safe environment for clients to explore this with people who can relate to having been through similar experiences. To stop our service at any time was not on the agenda; our clients need us to guide them through their recovery.

Our stoic staff team and in particular, our counsellors put our clients' needs first. However, the extra pressure on them as people was evident. As a charity, we invested in additional support, training and flexibility for our staff.

We embraced technology like never before. This year our online forums and social media campaigns have tried to reach out to people and professionals to help reduce the stigma and tell the real-life stories from people from all backgrounds, attending our service and achieving sustained recovery from

their addiction. We also asked our clients what the effects of Coronavirus was having on them and asked what we could do to better support them.

The benefit of learning to deliver groups via video conferencing, means that flexibility was maintained and delivery consistent, whether we were able to deliver in person or not. Over the year, despite various format changes of in-person or online; our counsellors have been determined to return to in-person group therapy to strengthen the client connections as a key ingredient of recovery. Addictions are isolating and recovery therefore must be connected.

Our Herts Hub, an online version of our in-person group, had different challenges. People who struggle to access in-person support are able to access therapeutic group therapy online. A majority of clients attending had a higher-than-average mental health illness alongside their addiction. Colleagues have learnt new skills and creative methods to connect clients together, as well as understanding non-verbal clues presented on the screen to aid their therapeutic support. As a result of the success of the Herts Hub, we secured a two-year contract from October 2021 – October 2023 with Hertfordshire County Council to deliver and be involved in active evaluation of online commissioned services.

End of an Era

Deciding to stop a service, due to lack of funding, is always a loss. Our crèche and crèche team had been supporting clients in Stevenage for nine years, but this year Children in Need changed direction with their funding and decided not to continue to support it. Regretfully, the crèche closed their doors for the final time on 31st December 2021.

Conclusion

Funding to continue our work will always be important, so that our service is free to access. We have a unique model that proves its worthiness through the lives it changes and saves. However, we know that to change is good and keeping our model intact, but embracing technology, helped us survive the stormy seas over the past few years with COVID-19. The challenge facing us going forward are to continue to attract funding and maintain the excellent outcomes for people living in recovery from an addiction, as the cost of living rises for us all.

WE EXIST TO BREAK THE FAMILY CYCLE OF SUBSTANCE AND BEHAVIOURAL ADDICTIONS

OUR VISION

Our vision is a future when people with the illness of addiction are able to live their lives free from an addiction to drugs, alcohol or behaviours, becoming contributing citizens in society.



OUR MISSION

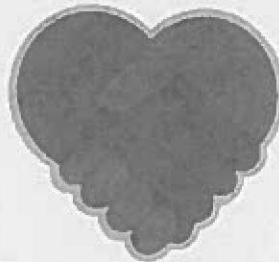
- ✓ To provide group therapy for adults with the illness of addiction, and
- ✓ to support their family members

...in Hertfordshire.

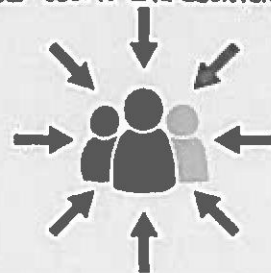


OUR VALUES...

We are **CARING** to our clients & co-workers.



We are **CUSTOMER-FOCUSED** when prioritising our work and activities.



We serve and **SUPPORT** OUR COMMUNITY.



We ensure we are **COMPETENT** in performing our duties.



We value our **INTEGRITY** as professionals.



OUR COMMITMENTS TO EQUALITY, DIVERSITY AND INCLUSION:

We will ensure that everyone, regardless of their individual or group characteristics,

can get treatment for their addiction and are given support

that takes account of their unique background and any complications this may cause for them

We will reach out to community groups, develop better cultural awareness in our services.

and focus on LGBTQ+ and Black, Asian and Minority Ethnic visibility within our organisation.



OBJECTIVES AND ACTIVITIES

VISION	Our vision is a future where people with the illness of addiction are able to live their lives free from an addiction to drugs, alcohol or behaviours, becoming contributing citizens in society.
MISSION	To provide group therapy for adults with the illness of addiction and to support their family members, in Hertfordshire and other areas of the UK.
AIM	<p>The aim of our organisation is to break the family cycle of addiction (both substance and behavioural addictions).</p> <p>Our culture change work – not just teaching people to live with their addiction, we help them to take back ownership of their lives.</p>
VALUES	<p>We are caring to our clients and co-workers</p> <p>We are customer focused when prioritising our work and activities</p> <p>We serve and support our community</p> <p>We ensure we are competent in performing our duties</p> <p>We value our integrity as professionals.</p>
DIVERSITY, EQUALITY EQUITY AND INCLUSION	We will ensure that anyone, regardless of their individual or group characteristics, can get treatment for their addiction and are given support that takes account of their unique background and any complications this may cause for them during their time at The Living Room. We will reach out to community groups, develop better cultural awareness in our services and focus on LGBTQ+ and Black, Asian and Minority Ethnic visibility within our organisation.
CHARITABLE OBJECTS	<p>The charity's main objective for the year was to promote the objects set out in its governing document, 02 November 2017 (refreshed 19 September 2019) when the charity was registered as a CIO No 1175541 (formerly 1080634).</p> <p>(a) to preserve and protect the health of all persons who are in danger of becoming addicted to, or dependent upon, drugs of any description, alcohol, solvents or other addictive substances or behaviours as well as their family members within the County of Hertfordshire and such other places as the trustees shall from time to time decide by the provision of counselling and recovery and support services.</p> <p>(b) to advance the education of professionals working in the field of addiction treatment by the provision of professional training, support services and information.</p>

REFERRALS

We accept self-referrals as well as professional referrals, which are easily made via our website or via a phone call to our local number 0300 365 0304. In 2021, we saw 1501 enquiries made to our service, including 903 referrals.

OUR PROGRAMMATIC WORK:

The Living Room has hubs in Stevenage, St Albans, Watford and Online, for Hertfordshire adults to access.

Free, non-time-limited group therapy facilitated by trained counsellors with lived experience of addiction recovery; using person-centred therapy, cognitive behaviour therapy, dialectical behaviour therapy, psycho-educational/psycho-social counselling, psychodynamic counselling and the first four steps of the AA 12-step programme.

Our Services:

One number 0300 365 0304 – local call cost or free within mobile or landline package

All Addiction Group Therapy

Monday to Friday 10:30 – 14:30 (1 hour for lunch) St Albans and Stevenage

Monday to Thursday (Watford)

Drug Addiction Group Therapy

Weekly group

Family and Carers Group Therapy

Weekly group – Stevenage, St Albans and Watford (evening)

Relationship Group Therapy

Weekly group

Disordered Eating Group Therapy

Weekly group

Online All Addiction Group Therapy

Hertfordshire Hub

Monday, Tuesday, Thursday, Friday

Zoom

Graduates Group meet up (monthly in each centre)

Out of Hours Helpline for families 0808 800 2222 (Family Lives)

Talks, training and event presence to raise awareness

Holistic support in partnership

Individual counselling (for people attending group therapy)

Crèche (for children of parents, family and carers receiving treatment, up to Dec 2021)

Our Services | The Living Room (livingroomherts.org)

TLR STRATEGY 2021 – 2024:

Our strategic themes:

We will take a client centred approach.

We will consider sustainability in all we do.






Our objectives:

1. Review and refine our services to ensure they are inclusive, effective, efficient and creating long-lasting impact on the lives of our clients.
2. Develop and nurture external relationships, to grow our partnerships and profile within communities and Hertfordshire.
3. Invest in digital solutions to reduce the impact on the environment and improve efficiency, accessibility, impact measurement and the reach of our services.
4. Position our organisation to successfully bid for long-term contracts and grants.

Our assurances:

We will listen to those accessing our services, so that we can improve them, adapt and respond holistically to client needs.

STRATEGIC OUTCOMES

	Target	Outcomes 2021 - 2022
Service Delivery 	60% of people achieve sustained recovery	65% of people achieved successful graduation <ul style="list-style-type: none"> • 60% alcohol • 63% drugs • 71% disordered eating • 60% relationships • 50% gambling • 78% family and carers
Access and Reach 	600 people in Hertfordshire helped each year	340 people supported in total – less than our target <ul style="list-style-type: none"> • 272 people supported for addictions • 68 family and carers supported
Income Generation 	50% of income from contracts	53% income from contracts achieved
Community Engagement 	30 talks, events and workshops delivered	21 talks and fundraising events 4 forums 4 workshops 2 quizzes
Organisational Improvement 	100% good to excellent client satisfaction	100% good → excellent client feedback

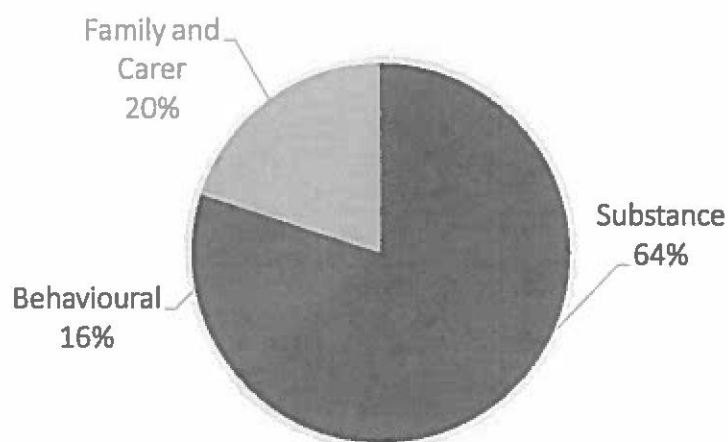
VOLUNTEER CONTRIBUTION

The charity has placement counsellor volunteers (training counsellors - above Level 1); peer mentor volunteers, marketing and fundraising volunteers, event volunteers, IT consultants, crèche assistant volunteers, counselling volunteers and all of our trustees are volunteers. All work purely in a voluntary capacity and are unpaid.

In 2021-2022, 25 people dedicated many hours to volunteering with The Living Room's Stevenage and St Albans hubs and our charity shops, lockdown affected the number of people volunteering and the hours they could offer.

Our paid colleagues also offer additional hours to support our fundraising activities.

CLIENTS 2021-22

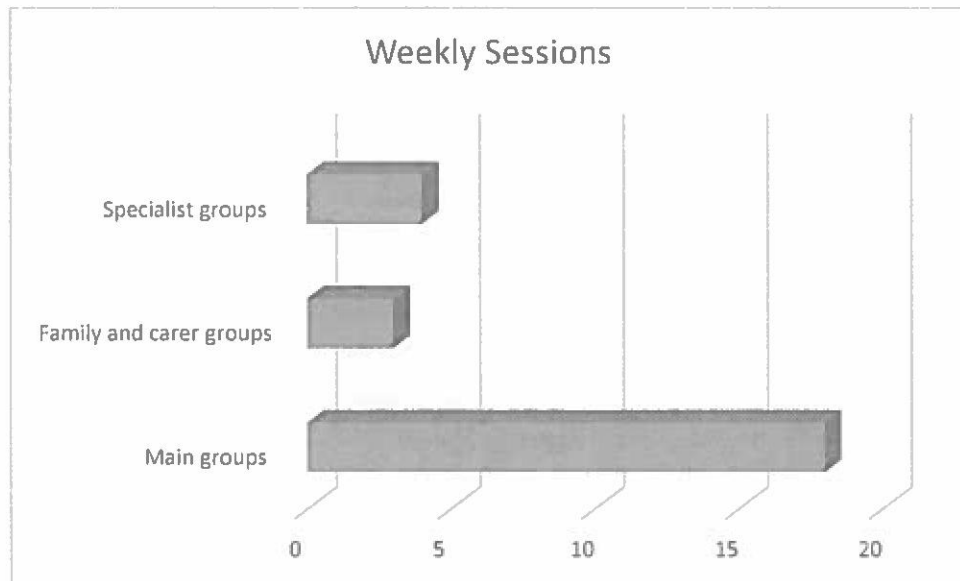


OUTCOMES

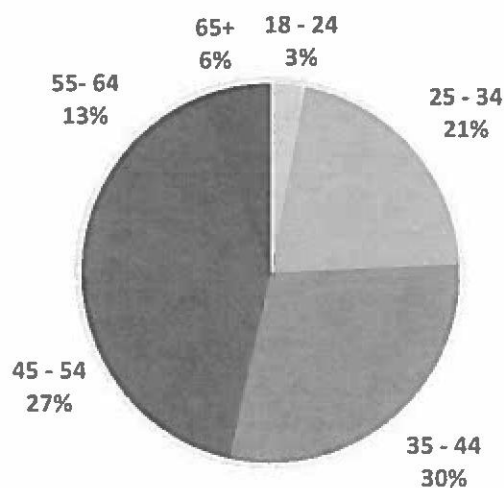
340	Number of people accessing treatment therapy
68	Number of family and carers supported via group therapy
1541	Brief Interventions via enquiries – in-person, phone or email
96	'Families Living in Recovery' sessions delivered by Family Lives or Relate
20	Make Money Make Sense project sessions delivered with Citizens Advice
27	Graduate groups (started Feb 2022) – people attended
65%	Graduation rate (Nationally 50%)
5%	Transferred to clinical interventions (Spectrum CGL)

OUTPUTS

18	Main group sessions per week
3	Family and carer sessions per week
4	Specialist group sessions per week
12	Placement counsellor hours provided per week (in training)
383	Counselling hours provided per week



AGE RANGES



EXTRA DELIVERY

Additional projects delivered with or by partners to our clients.

1. Partnership working with Citizens Advice St Albans and Stevenage to deliver Make Money Make Sense a debt and money management direct support for clients facilitated in our centres.
2. Groundwork UK providing outreach for our Stevenage clients on gardening projects locally.
3. Consortium working with RELATE North Thames and Chilterns as well as Family Lives Hertfordshire to deliver our 'Families Living in Recovery Project'.
4. Turning Point provided in-house mental health support one-to-one with clients in each hub.
5. 10 clients accessed Building Better Opportunities – Hertfordshire mentoring support for people re-entering the workplace.

FUNDRAISING

Our services are free at the point of delivery to people wanting to access our services. The Board of Trustees delegates the Income Generation strategy to the Fundraising Working Group comprised of staff and trustees, led by the External Relations Director.

The income budget set December 2020 for April 2021 – March 2022 was proposed by the Fundraising Working group and approved by trustees. However, due to lesser amounts raised in almost all categories due to the impact of COVID-19, more resources were focused on grants and trusts income stream, and reduced expenditure to reflect the difference raised.

	Approved 21/22 Budget	21/22 Actuals
Total Contracts	515,902	463,132
Revival Donation	25,000	24,000
Fundraising, Donations & Legacy Income	91,200	75,185
Traded income/interest earned	7,500	2,920
Total Grants	232,900	244,543
Children In Need-Crèche Funding Nov 18-Oct 21	23,938	20,518
TOTAL INCOME	896,440	830,298

OUR DONORS

40k - £50k	Albert Gubay Charitable Foundation Henry Smith Charity
£30-£40k	Children in Need (ended November 21)
£30-£20k	Lloyds Bank Foundation Garfield Weston
£20-£10k	Martin Geddes Charitable Trust Bedford & Luton Charitable Foundation David Laing Foundation
under £10k	Saint Albans District Council Watford Borough Council Stevenage Borough Council Diocese of St Albans St. Paul's Church St Albans Hertfordshire Community Foundation Watford Covid Community Grant Arnold Clark Sir Jules Thorn Charitable Trust Corporate funders: ASDA, Waitrose, Screwfix

Other income: Individual donations, places of worship, district and county councillors, community fundraising, our charity shops and Hertfordshire County Council contracts.

FUNDRAISING REGULATIONS

The Living Room engages in public fundraising but does not use professional fundraisers or commercial participators. The charity observes the relevant fundraising regulations and codes. During the year,

there was full compliance of these regulations and codes and The Living Room received no complaints relating to its fundraising practice.

LONG TERM IMPACT

In 2021, we surveyed people who had accessed our services during 2020, to see where they are now. We wanted to know whether our interventions worked. We wanted to see if the hard work that people affected by addiction put into achieve sustained recovery. We asked if they were abstinent and positive contributing citizens with good health and wellbeing long term.

"The Living Room is truly brilliant and took me in, gave me purpose to get better and a regular place to go with like-minded people so I could feel safe to talk about issues that I was having that I could not really speak to others outside of recovery. Without The Living Room, I would be in a very bad place now and possibly not here at all. I have to say every team member there are truly special, kind and very efficient I will never forget their kindness."

95%	Recovery benefit of attending The Living Room
91%	Emotional and mental health improvement
90%	Self-care and living skills improvement
95%	Employed, a homemaker, in education or training, retired or volunteering
69%	Managed sustained abstinence, but all managing better than when they first accessed help
86%	Did not access any further addiction support
73%	Scored themselves 5/5 for being motivated and taking responsibility for their own actions
95%	Improved family relationships and increase social networks
54%	Continue to attend a fellowship
100%	Improved physical health
100%	Settled and secure housing situation (61% had settled housing at the start of treatment)
81%	Satisfied with recovery since leaving TLR

"Never wanted to leave The Living Room, but understood that needed to attend in person so was waiting for a referral over to the evening session at St Albans. I did find the support helpful, I never felt alone with The Living Room. I felt safe."

KICKSTART

The government Kickstart Scheme provided funding to employers to create jobs for 16-24 year olds on Universal Credit. In 2021, we recruited a young person to work with us (paid) for 6-months, to train and prepare the young person to secure a permanent role either with us or elsewhere. We worked with Impactful Governance CIC who delivered the training portion of the scheme and a young person worked with us for 6-months (April 2021 – September 2021). The scheme was mainly funded through Job Centre Plus with a small top-up by us as the employer.

WHAT WE STOPPED

We closed our 9-year-old crèche. Alongside the reduction in funding available, there had been a decline over three years in the number of children supported during term time. The main reasons for this were:

- a) government childcare support from 3 years old
- b) low numbers of clients with children under 3
- c) twelve children potentially attending three days a week in school holidays – difficult to staff

On a positive note, the crèche has now been converted to Stevenage Group Room 2, meaning we no longer need to rent No.15 The Glebe, which helps with finances overall.

We ran a Gambling specialist group pilot mid-year 2020 to mid-year 2021, funded by HCC, however the pilot was unsuccessful in attracting the numbers of people needed to make it financially viable and we decided to stop the group when the funding came to an end. People with gambling addiction are supported in main group, but the pilot was run out of working hours and online to try to attract clients who had stated the need due to work. In fact, most people who attended the groups did so for a short time and did not address their addiction issues in the same way as main group clients.

FINANCIALS

Total income (financial year) 2021 - 2022 was £830,298 with expenditure of £858,664 resulting in a small operating deficit of £28,366. However, we had carried forward restricted reserves of £65,766 from 20/21 to be spent in 21/22, so this was a budgeted overspend.

INCOME

There was a 3% drop in income compared to 2020 – 2021. There were more COVID-19 grants available that we were eligible, but we were very limited on community fundraising activities and earned income reduced due to partners no longer renting space from us, moving their services online.

Fortunately, local councillors committed a substantial level of their locality budgets to support us, which was a £7k rise on the budget sent.

EXPENDITURE

There was a 13% increase in costs compared to 2020 - 2021 mainly due to growth in service, the staffing restructure and 3% pay rise awarded to staff. The other unusual additional costs included PPE, staff training costs for hybrid working and costs of closure of the crèche.

We continue to pay for premises across Hertfordshire despite online services, but we were given a freeze in Watford and were not required to pay rent when we didn't occupy the centre.

RESERVES POLICY

The trustees have considered the level of free reserves it is appropriate for the charity to hold in order to ensure its financial sustainability, future strategic development and continuing to operate and meet the needs of clients in the event that unforeseen and potentially financially damaging circumstances arise.

They have taken into account the reliability and continuance of future income generation and funding, timing of cash flow and working capital requirements and cover for unplanned emergency repairs and premises costs.

Free reserves represent unrestricted funds of the charity excluding restricted funds. The determination of an appropriate reserves level is a key part of the strategic planning process.

This is linked into a risk assessment of key areas of income and expenditure, along with the following:

- Working capital
- Financial risk management
- Future strategic development

The trustees review the reserves level on an annual basis, along with the risk assessment of key areas of income, as this provides the information on an adequate level of reserves to be maintained.

The trustees consider therefore that it would be prudent to set aside an amount equivalent to between three to four months of the forthcoming year's planned expenditure costs – for 2022-23 this would be between £223k and £297k. The free reserves at 31 March 2022 £279,227 are within the range of its reserves policy. Therefore, the trustees consider the charity a going concern.

REMUNERATION POLICY

The board is responsible for considering the Chief Executive's remuneration, taking account of the skills and experience required and sector norms for charities of similar size.

Pay and pay increases are reviewed biennially by the finance committee in relation to their responsibilities and performance, skills and qualifications, the external economic environment and financial affordability for The Living Room.

The Living Room is a Living Wage Employer, a Disability Committed Employer and a Mindful Employer.

RISK MANAGEMENT

The board follows a comprehensive risk management policy which clearly defines the roles of the board, finance and audit committee and senior colleagues in identifying and managing risk, and how the register of risks should be used as a live document. The board identifies the key risks and discusses the impact, likelihood and the risk management in place to mitigate these risks.

Risk is managed under the headings of Health and Safety, Beneficiaries Welfare, Legal and Statutory Obligations, Fundraising and Marketing, Services and Operations, Data Protection, Safeguarding Children and Vulnerable Adults, Volunteer Welfare, Staff Welfare, Financial Sustainability.

Through the risk management processes established by the charity, the Trustees were satisfied that the major risks identified had been adequately mitigated where necessary.

The Charity is registered with the Information Commissioner's Office (ICO) and all client information is encrypted. The Living Room client and supporter databases are held in the cloud, are GDPR compliant and backed-up off site through an encrypted network. The organisation has access to a secure email connection. All colleagues, volunteers and trustees are regularly security checked and all relevant roles are DBS checked as per government guidance for working with Children or Vulnerable Adults.

The Living Room is a member of the British Association of Counselling and Psychotherapy and Federation of Drugs and Alcohol Providers and therefore adheres to their ethical conduct for counselling and psychotherapy. It is a member of the NHS Addictions Provider Alliance and Hertfordshire County Council Drugs and Alcohol Network. It co-chairs the Integrated Drugs and Alcohol Governance Group alongside Spectrum (CGL) and Emerging Futures, who also hold commissioned services contracts for Hertfordshire Drugs and Alcohol statutory interventions.

EQUALITY, EQUITY, INCLUSION AND DIVERSITY

The Living Room is proud to be an equal opportunities employer. This means that decisions concerning recruitment, promotion, dismissal or any other aspect of employment will be based on the needs of the business and not any assumptions based on sex, race, age, disability, gender reassignment, sexual orientation, married or civil partnership status, pregnancy or maternity, religion or belief. This is an important commitment, which all colleagues share.

Colleagues are encouraged to raise with management any discriminatory behaviour, assumptions or attitudes they encounter at work and are entitled to do so free from any reprisal providing they are acting in good faith. There is a Diversity Equity, Equality and Inclusion staff working party forum to review process and procedures as well as ensure we uphold our values and mission.

Download a pdf of this report [The Living Room \(livingroomherts.org\)](https://livingroomherts.org)

Partnership and press enquiries admin@livingroomherts.org

Service and clinical enquiries enquiries@livingroomherts.org

Independent examiner's report to the trustees of The Living Room

I report on the accounts of the charity for the year ended 31 March 2022, which are set out on pages 20 to 27.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the commission under section 145(5)(b) of the 2011 Act
- to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records.

It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Trina Haggerty FCCA
Hargreaves Owen Ltd
Chartered Certified Accountants
Red Sky House
Fairclough Hall
Halls Green
Weston
Herts
SG4 7DP

The date upon which my opinion is expressed is: 28th July 2022

The Living Room
Statement of Financial Activities
for the year ended 31 March 2022

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Notes	2022 £	2022 £	2022 £	2021 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	2	746,655	73,864	820,519	849,335
Activities for generating funds	3	9,752	-	9,752	9,039
Investment Income	4	25	-	25	136
Total incoming resources		756,432	73,864	830,296	858,510
RESOURCES EXPENDED					
Cost of generating funds					
Costs of generating voluntary income and undertaking charitable activities		721,606	122,172	843,778	735,457
Governance costs		14,809	76	14,885	22,010
Total resources expended		736,415	122,248	858,663	757,467
NET INCOMING / (OUTGOING) RESOURCES		20,017	(48,384)	(28,367)	101,043
RECONCILIATION OF FUNDS					
transfer between funds		0	0	0	0
Total funds brought forward		259,209	65,766	324,975	223,932
TOTAL FUNDS CARRIED FORWARD		279,226	17,382	296,608	324,975

**The Living Room
Balance Sheet
as at 31 March 2022**

		Unrestricted Funds	Restricted Funds	Total Funds	
	Notes	2022	2022	2022	2021 £
FIXED ASSETS					
Tangible assets	8	825	-	825	1,100
CURRENT ASSETS					
Debtors	9	2,715	5,382	8,097	292
Prepayments and accrued income		-	-	-	-
Cash at bank and in hand		293,700	12,000	305,700	342,457
Total current assets		<u>296,415</u>	<u>17,382</u>	<u>313,797</u>	<u>342,749</u>
CREDITORS					
Amounts falling due within one year	10	(18,014)	-	(18,014)	(18,874)
NET CURRENT ASSETS		<u>278,401</u>	<u>17,382</u>	<u>295,783</u>	<u>323,875</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>279,226</u>	<u>17,382</u>	<u>296,608</u>	<u>324,975</u>
NET ASSETS		<u>279,226</u>	<u>17,382</u>	<u>296,608</u>	<u>324,975</u>
FUNDS					
Unrestricted funds				279,226	259,209
Restricted funds				<u>17,382</u>	<u>65,766</u>
TOTAL FUNDS				<u>296,608</u>	<u>324,975</u>

The financial statements were approved by the Chair on 28th July 2022 and were signed on its behalf by:

.....
.....

The Living Room
Notes to the Financial Statements
for the year ended 31 March 2022

1 Accounting policies

Basis of preparation of the accounts

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and with the Charities Act

The particular accounting policies adopted are set out below.

Transition to FRS 102

No restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2016.

Incoming Resources

Incoming resources are accounted for on a receivable basis deferred as described below where appropriate.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Investment Income

Bank Interest received is included on an actual receipts basis.

Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting (revised June 2008) issued by the Charity Commissioners for England & Wales .

Fixed assets and depreciation

All tangible fixed assets are stated at cost less depreciation.

Depreciation has been provided at the following rates in order to write off the assets (less their estimated residual value) over their estimated useful economic lives.

Fixtures and fittings	25% on reducing balance
Computer equipment	25% on reducing balance

Taxation

As a registered charity, the charity is exempt from corporation tax on its charitable activities.

The Living Room
Notes to the Financial Statements
for the year ended 31 March 2022

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when the funds are raised for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2 VOLUNTARY INCOME	2022	2021
	£	£
Grants	265,060	304,283
Contracts	463,131	458,042
Places of Worship Donations	9,049	11,138
General Donations	49,292	49,027
Gift Aid	4,205	4,167
Corporate donations	5,782	2,678
Donated services and facilities	24,000	20,000
	<u>820,519</u>	<u>849,335</u>
3 ACTIVITIES FOR GENERATING FUNDS	2022	2021
	£	£
Fundraising events	6,857	7,699
Earned income	2,895	1,340
	<u>9,752</u>	<u>9,039</u>
4 INVESTMENT INCOME	2022	2021
	£	£
Interest receivable	<u>25</u>	<u>136</u>
5 COSTS OF GENERATING VOLUNTARY INCOME AND UNDERTAKING CHARITABLE ACTIVITIES	2022	2021
	£	£
Support costs	<u>843,778</u>	<u>735,457</u>

The Living Room
Notes to the Financial Statements
for the year ended 31 March 2022

6 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

7 STAFF COSTS

	2022 £	2021 £
Wages and salaries (including pensions)	<u>714,617</u>	<u>614,015</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Full time equivalents	<u>24</u>	<u>23</u>

No employees received emoluments in excess of £60,000

8 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2021 and 31 March 2022	<u>21,086</u>	<u>18,681</u>	<u>39,767</u>
At 31 March 2021	<u>21,086</u>	<u>18,681</u>	<u>39,767</u>
DEPRECIATION			
At 1 April 2021	20,658	18,009	38,667
Charge for the year	<u>107</u>	<u>168</u>	<u>275</u>
At 31 March 2022	<u>20,765</u>	<u>18,177</u>	<u>38,942</u>
NET BOOK VALUE			
At 31 March 2022	<u>321</u>	<u>504</u>	<u>825</u>
At 31 March 2021	<u>428</u>	<u>672</u>	<u>1,100</u>

The Living Room
Notes to the Financial Statements
for the year ended 31 March 2022

9 DEBTORS	2022 £	2021 £
Other Debtors	<u>8,097</u>	<u>292</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022 £	2021 £
Taxation and social security	11,385	12,642
Other creditors	5,789	5,392
Accrued expenses	840	840
Deferred income	-	-
	<u>18,014</u>	<u>18,874</u>

11 MOVEMENT IN FUNDS	At 1/4/2021 £	Net movement in funds £	At 31/3/2022 £
Unrestricted funds			
General fund	259,209	20,017	279,226
Restricted funds			
General fund	65,766	(48,384)	17,382
	<u>324,975</u>	<u>(28,367)</u>	<u>296,608</u>

Net movement in funds, included in the above
are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General fund	756,432	736,415	20,017
Restricted funds			
General fund	73,864	122,248	(48,384)
	<u>830,296</u>	<u>858,663</u>	<u>(28,367)</u>

The Living Room
Schedule to the Statement of Financial Activities
for the year ended 31 March 2022

	2022 £	2021 £
INCOMING RESOURCES		
Voluntary Income		
Grants	265,060	304,283
Contracts	463,131	458,042
Places of Worship Donations	9,049	11,138
General Donations	49,292	49,027
Gift Aid	4,205	4,167
Corporate donations	5,782	2,678
Donated services and facilities	24,000	20,000
	<u>820,519</u>	<u>849,335</u>
Activities for generating funds		
Fundraising events	6,857	7,699
Earned income	2,895	1,340
	<u>9,752</u>	<u>9,039</u>
Investment Income		
Interest receivable	<u>25</u>	<u>136</u>
Total incoming resources	<u>830,296</u>	<u>858,510</u>
RESOURCES EXPENDED		
Governance costs		
Accountancy fees	590	590
Independent examination	250	250
Other professional fees	<u>14,045</u>	<u>21,170</u>
	14,885	22,010
Support costs		
Refreshments	859	162
Rent and Rates	38,314	31,831
Water	390	878
Light and heat	5,666	5,630
Telephone	3,739	4,174
Partnerships	35,000	38,000
Depreciation of tangible assets	<u>275</u>	<u>367</u>
	84,243	81,042

The Living Room
Schedule to the Statement of Financial Activities
for the year ended 31 March 2022

	2022	2021
Finance		
Bad debts	-	-
	<u>-</u>	<u>-</u>
Information technology		
IT support and consumables	7,133	7,174
Website	5,182	4,896
	<u>12,315</u>	<u>12,070</u>
Human resources		
Wages (including pensions)	714,617	614,015
Training	<u>4,584</u>	<u>1,589</u>
	719,201	615,604
Other		
Fundraising	335	280
Insurance	5,589	3,653
Printing, Stationery & Postage	4,935	2,196
Sundries	746	436
Subscriptions	1,832	2,185
Creche	894	5,086
Staff Travel	1,218	164
Marketing	387	584
Repairs and maintenance	10,108	5,226
Recruitment and DBS checks	997	1,078
Equipment	<u>978</u>	<u>5,853</u>
	28,019	26,741
Total resources expended	<u><u>858,663</u></u>	<u><u>757,467</u></u>
Net (expenditure) / income	<u><u>(28,367)</u></u>	<u><u>101,043</u></u>