

**REGISTERED COMPANY NUMBER: 03909272 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1081902**

**STREET (UK) FOUNDATION**

**Group Report of the Trustees and  
Audited Financial Statements  
for the Year Ended 31 March 2020**

Eden Currie Limited  
Chartered Accountants  
and Statutory Auditor  
2 Highlands Court  
Cranmore Avenue  
Solihull  
West Midlands  
B90 4LE

# **STREET (UK) FOUNDATION**

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# **STREET (UK) FOUNDATION**

## **Reference and Administrative Details for the Year Ended 31 March 2020**

<b>TRUSTEES</b>	S Johnson Ms E Kelliher J Tackaberry P R Tyrrell
<b>CHIEF EXECUTIVE OFFICER</b>	K Ali
<b>COMPANY SECRETARY</b>	K Ali
<b>REGISTERED OFFICE</b>	50 Cliveland Street Birmingham West Midlands B19 3SH
<b>REGISTERED COMPANY NUMBER</b>	03909272 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1081902
<b>INDEPENDENT AUDITORS</b>	Eden Currie Limited Chartered Accountants and Statutory Auditor 2 Highlands Court Cranmore Avenue Solihull West Midlands B90 4LE
<b>SOLICITORS</b>	Wragge & Co 40 Colmore Row, Birmingham, B2 2AS  Bates, Wells & Braithwaite Cheapside House, 138 Cheapside, London, EC2V 9BB  Linklaters & Alliance One Silk Street, London, EC2Y 8HQ

# **STREET (UK) FOUNDATION**

## **Report of the Trustees for the Year Ended 31 March 2020**

The trustees who are also directors of the parent charitable company for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of 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**

#### **Objectives and aims**

The objects of the Foundation are the relief of poverty and the relief of unemployment and; in particular (without prejudice to the generality) through:

- the provision of assistance in the establishment of and the provision of temporary support to small businesses owned by and primarily employing persons in need where there are insufficient alternative methods of relieving their need and where any such business is in danger of failure without such assistance or temporary support, but has reasonable prospects of viability; and,
- the promotion of the creation of employment, work experience opportunities or training opportunities for people who are unemployed, or otherwise in need; and,
- the promotion of education, training and re-training in the skills required for employment and self employment.
- the provision of assistance with personal and household budgeting and engaging with the financial services industry; and,
- the promotion of education and training in the skills required for the effective management of personal and household finances.

The Foundation's mission is to support financially excluded individuals with tailored financial services, and offer a secure pathway out of debt, welfare and cash-economy dependency on a sustainable basis.

#### **Public benefit**

The trustees are aware of the obligations of the charity, which are set out in the Guidance issued by The Charities Commission under The Charities Act 2006. They are confident that the work of the charity in pursuit of its objects is delivering Public Benefit. The Trustees will comply with the future reporting requirements in this regard.

#### **Trustees indemnity insurance**

The trustees are the directors of the Company. During the year and up to the date of approval of the financial statements, there was a qualifying third party indemnity in place for directors as allowed by Section 234 of the Companies Act 2006.

# **STREET (UK) FOUNDATION**

## **Report of the Trustees for the Year Ended 31 March 2020**

### **STRATEGIC REPORT**

#### **Achievement and performance**

##### **Personal lending**

Street (UK) C.I.C granted over 8,000 advances providing nearly £2.6m of affordable credit through its retail branch network. Street (UK) C.I.C now operates a total of six branches across the West Midlands.

Gross income from lending was £1.72m, after write off and provisions the net income from lending was £724k. Bad debt provisions for the year ended 31 March 2020 total £604k, which includes an increase of £120k to recognise the potential financial impact of Covid-19 on the company's loan portfolio.

##### **Housing loans**

Street (UK) Homes granted 147 loans with the total amount being lent over £2.0m. By the end of the year £15.4m of loan funds were under management.

##### **Back office services**

Street UK Services continues to offer back office administration services ensuring loans are serviced for numerous entities, in the period over 60m of new loans were setup with over £400m of loan funds under administration.

##### **Financial review**

##### **Financial position**

The nineteenth year of the Foundation's activities shows a consistent result in unrestricted income increasing by £350k to £3.0m. Unrestricted expenditure has also increased in line with income by £171k to £2.8m, which resulted in a surplus of £284k. The surplus increases unrestricted reserves to £1.8m (2019 - £1.5m)

The trustees are confident that the current level of funding along with funding commitments from charitable, public sector and private sector sources now in place will prove sufficient to meet the operating results indicated in the 2020/21 budget.

##### **Principle funding sources**

We are in on-going discussions with a number of potential investors to facilitate the long-term funding requirements for the group.

##### **Investment policy and objectives**

The trustees' policy is to invest operating funds in easy access and relatively low risk bank accounts.

##### **Reserves policy**

The trustees' reserves policy is to manage the reserves in such a way as to have sufficient funds available for the orderly winding up of the Group without liability should its future income be in such doubt that this is the only credible course of action.

# STREET (UK) FOUNDATION

## Report of the Trustees for the Year Ended 31 March 2020

### STRATEGIC REPORT continued

#### Principal risks and uncertainties

The board of trustees has mandated the Audit and Risk Committee to monitor the risk management process and systems of internal control of the Group. The Board oversees the activities of the Audit and Risk Committee, the Group's internal audit process and external auditors, and the Group's risk management function as delegated to the Group's Audit and Risk Committee.

The Group's Risk management involves the identification and evaluation of risks and is the responsibility of the Audit and Risk Committee together with the Board. The Group's ability to manage risk is continually growing through the focus on risk management capability to ensure that it remains robust and that emerging risks are identified, assessed and managed effectively.

The Audit and Risk committee have established an effective risk management framework where important and emerging risks are identified, quantified and managed through the Groups Risk Register and movements are monitored.

#### Key Performance Indicators

The board has developed the evaluation of success against the Group's strategic and financial objectives. In order to measure performance the board has identified the following key performance indicators (KPI's) on which it monitors and assesses the Group's performance:

- Lending**

<i>KPI:</i>	25% New customer lending growth
<i>Outcome:</i>	28% New customer lending growth achieved
  
- Bad debt provisions**

<i>KPI:</i>	Bad Debt Provisions not to exceed 15% YE Gross Loan Book
<i>Outcome:</i>	Bad Debt Provisions were 15% of YE Gross Loan Book
  
- Social Impact**

<i>KPI:</i>	% customers with Minimum Income Standard (MIS) of £18,800 p.a >50%
<i>Outcome:</i>	55% of all customers had MIS of less than £18,800
<i>KPI:</i>	Net savings to customers
<i>Outcome:</i>	Based on Av loan amount of £447, net savings of £327 for each customer when compared to prominent Doorstep Lender.
<i>KPI:</i>	% customers support who live in the most deprived 20% postcodes >50%
<i>Outcome:</i>	87% of customers served, lived in top 20% deprived postcodes.
  
- Customer Feedback**

<i>KPI:</i>	Customer complaints % Customer Served not to exceed 5%
<i>Outcome:</i>	Complaints totalled 2% of all customer served
<i>KPI:</i>	Positive customer feedback >95%
<i>Outcome:</i>	98% positive feedback via independent customer reviews.
  
- Operational Efficiency**

<i>KPI:</i>	Cost per loan advance <=£100
<i>Outcome:</i>	Cost per loan advance £117

## **STREET (UK) FOUNDATION**

### **Report of the Trustees for the Year Ended 31 March 2020**

#### **STRATEGIC REPORT continued**

##### **Future plans**

2019/20 has been a year of success and challenges, significant improvements have been made to increase brand awareness through various marketing initiatives which have resulted in higher than expected customer demand.

However due to the continuing deterioration in personal finances for our typical customer segment, for a variety of reasons including austerity, cost of living and unstable/low income levels, we have not been able to provide affordable credit to a significant number of applicants.

New customer lending has grown by 34%, whilst at the same time we have witnessed a reduction in the number of returning customers for a multitude of reasons which includes progression to mainstream finance, creditworthiness and affordability.

More recently the impact of COVID-19 has been quite significant with a dramatic reduction in lending between Feb-Mar 2020 and an increase in bad debt provisions due to forbearance measures provided to customers.

Leading up to COVID-19 a strategic review had already commenced to define a 5 year business plan for the Group. Due to COVID-19 this project has been extended into 2020/21. The Group has already started or outlined key steps to take to ensure continued growth and success, in the short term these include;

- Further development of the Customer Journey which includes enhancement of the Customer Portal with integration to automated underwriting processes;
- Development of digital support initiatives to help improve customers financial health and resilience;
- Development of further credit and other financial products such as Savings and insurance with partner support;
- Provision of Customer Portal and similar enhanced systems to the wider Responsible Finance community;
- Raising affordably priced and appropriately structured capital for lending and growth;
- Cessation of non-sustainable services such as Custodian Services and mortgage application processing.

The development of a revised five year business plan will provide the business with a roadmap to build on it's success and provide a platform for further growth.

## **STREET (UK) FOUNDATION**

### **Report of the Trustees for the Year Ended 31 March 2020**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### **Recruitment and appointment of new trustees**

Trustees are appointed by members at the Annual General Meeting. Additional trustees may be co-opted between AGMs. The minimum number of trustees is two there is no maximum.

##### **Organisational structure**

The board of trustees meet quarterly to review the progress and activities of the Group. Once a year trustees review and approve a three year business / strategic development plan and the budgets for the following year and agree the remuneration of the Chief Executive. Day to day management of the Group within the agreed strategy and budgets is delegated to the Chief Executive.

##### **Induction and training of new trustees**

New trustees are invited to an induction day to brief them on their legal obligations under charity and company law, they also receive an induction pack including guides published by Companies House and the Charity Commission, the Memorandum and Articles of Association, the Audited Accounts and the current business plan and budgets. During the induction day they meet key members of staff and discuss key operational issues.

##### **Key management remuneration**

The trustees consider the board of directors, who are also the Charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year ending 31 March 2020. The remuneration paid to the Charity's employees is reviewed annually and a performance related increase is made where appropriate. The pay is benchmarked against pay levels for other roles with similar responsibilities elsewhere within the sector.

##### **Audit and Risk Committee**

The role of the charity's Audit and Risk Committee is to oversee responsibilities in relation to the Charity's financial reporting, internal control system, risk management system and external audit function. The Committee will also review any judgements made in connection with the preparation of the group's financial statements, preliminary announcements and any related formal statements



# **STREET (UK) FOUNDATION**

## **Report of the Trustees for the Year Ended 31 March 2020**

### **Related parties**

The charity has two wholly owned subsidiaries, Street (UK) C.I.C. and Street (UK) Services Limited. The board of trustees of the charity also control Street UK Homes Limited. All three companies covenant their profits to the charity.

Street (UK) C.I.C. delivers the objectives of the charity via the provision of specialist financial services to individuals that are financially excluded. Street UK Homes Limited also delivers the objectives of the charity via the provision of relocation, home improvement and disabled facility loans for individuals who for a variety of reasons are unable to secure credit from mainstream financial institutions. Street (UK) Services Limited generates income from the provision of other products and services including sales of Street (UK) C.I.C.'s loan management software 'StreetSERVE'

### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have a risk management strategy which comprises:

- An annual review of the main risks the charity faces;
- The establishment of systems and procedures to mitigate those risks and;
- The implementation of procedures designed to minimise the impact of the identified risks should they materialise.

This work has driven the development of new contingency management and disaster recovery plans. This work is on going.

### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Street (UK) Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

## STREET (UK) FOUNDATION

### Report of the Trustees for the Year Ended 31 March 2020

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES – continued

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

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### AUDITORS

The auditors, Eden Currie Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 24 July 2020 and signed on the board's behalf by:



**P Tyrell – Trustee**



**Ms E Kelliher – Trustee**



**K Ali – Company Secretary**

## **Report of the Independent Auditors to the Members of Street (UK) Foundation**

### **Opinion**

We have audited the financial statements of Street (UK) Foundation (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2020 and of its group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

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

## **Report of the Independent Auditors to the Members of Street (UK) Foundation**

### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- 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.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent 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 group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

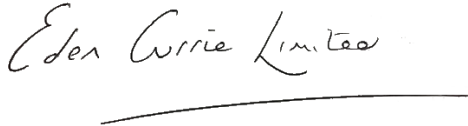
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is 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.

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

## **Report of the Independent Auditors to the Members of Street (UK) Foundation**

### **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 parent charitable company's members and its 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 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.

A handwritten signature in dark ink, appearing to read "Eden Currie Limited", is written above a horizontal line.

Paul Mannion ACA ACCA (Senior Statutory Auditor)  
for and on behalf of Eden Currie Limited  
Chartered Accountants  
and Statutory Auditor  
2 Highlands Court  
Cranmore Avenue  
Solihull  
West Midlands  
B90 4LE

Date: 24 July 2020

# STREET (UK) FOUNDATION

## Consolidated Statement of Financial Activities for the Year Ended 31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	-	44	44	62
<b>Charitable activities</b>					
Provision of loan finance to excluded					
Individuals	5	1,835,396	-	1,835,396	1,505,421
Other trading activities	3	1,172,774	-	1,172,774	1,161,371
Investment income	4	26,873	-	26,873	18,172
<b>Total</b>		<b>3,035,043</b>	<b>44</b>	<b>3,035,087</b>	<b>2,685,026</b>
<b>EXPENDITURE ON</b>					
<b>Raising funds</b>					
Other trading activities	6	601,365	18	601,383	642,513
		601,365	18	601,383	642,513
<b>Charitable activities</b>					
Provision of loan finance to excluded individuals	7	2,149,348	26	2,149,374	1,937,025
<b>Total</b>		<b>2,750,713</b>	<b>44</b>	<b>2,750,757</b>	<b>2,579,538</b>
<b>NET INCOME</b>		<b>284,330</b>	<b>-</b>	<b>284,330</b>	<b>105,488</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		1,475,794	-	1,475,794	1,370,306
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,760,124</b>	<b>-</b>	<b>1,760,124</b>	<b>1,475,794</b>

### CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

# STREET (UK) FOUNDATION

## Consolidated and Company Balance Sheet 31 March 2020

	Notes	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>FIXED ASSETS</b>					
Tangible assets	13	95,434	158,136	-	-
Investments	14	<u>192</u>	<u>192</u>	<u>4</u>	<u>4</u>
		<b>95,626</b>	<b>158,328</b>	<b>4</b>	<b>4</b>
<b>CURRENT ASSETS</b>					
Stocks	15	-	6,356	-	-
Debtors: amounts due within one year	16	2,121,219	2,738,828	1,699,870	1,446,642
Debtors: amounts due after one year	16	19,700	13,894,431	19,700	12,150
Cash at bank	17	<u>1,113,017</u>	<u>1,893,481</u>	<u>47,600</u>	<u>20,671</u>
		<b>3,253,936</b>	<b>18,533,096</b>	<b>1,767,170</b>	<b>1,476,463</b>
<b>CREDITORS</b>					
Amounts falling due within one year	18	<u>(301,371)</u>	<u>(370,184)</u>	<u>(7,050)</u>	<u>(3,673)</u>
<b>NET CURRENT ASSETS</b>		<b><u>2,952,565</u></b>	<b><u>18,162,912</u></b>	<b><u>1,760,124</u></b>	<b><u>1,475,794</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,048,191</b>	<b>18,321,240</b>	<b>1,760,124</b>	<b>1,475,794</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	(1,285,534)	(16,842,870)	-	-
<b>ACCRUALS AND DEFERRED INCOME</b>	23	<u>(2,533)</u>	<u>(2,576)</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<b><u>1,760,124</u></b>	<b><u>1,475,794</u></b>	<b><u>1,760,124</u></b>	<b><u>1,475,794</u></b>
<b>FUNDS</b>	25				
Unrestricted funds:					
General fund		<u>1,760,124</u>	<u>1,475,794</u>	<u>1,760,124</u>	<u>1,475,794</u>
<b>TOTAL FUNDS</b>		<b><u>1,760,124</u></b>	<b><u>1,475,794</u></b>	<b><u>1,760,124</u></b>	<b><u>1,475,794</u></b>

The financial statements were approved by the Board of Trustees and authorised for issue on 24 July 2020 and were signed on its behalf by:



**J Tackaberry - Trustee**

The notes form part of these financial statements

# STREET (UK) FOUNDATION

## Consolidated Cash Flow Statement for the Year Ended 31 March 2020

	Notes	Group 2020 £	Group 2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>300,157</u>	<u>(1,342,405)</u>
Net cash provided by/(used in) operating activities		<u>300,157</u>	<u>(1,342,405)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(11,587)	(14,933)
Interest paid		(133,939)	(143,724)
Interest received		<u>26,873</u>	<u>18,172</u>
Net cash used in investing activities		<u>(118,653)</u>	<u>(140,485)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	250,000
Loan repayments in year		(134,073)	(307,326)
Fund provider loans	3	<u>(827,895)</u>	<u>1,349,361</u>
Net cash (used in)/provided by financing activities		<u>(961,968)</u>	<u>1,292,035</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(780,464)	(190,855)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,893,481</u>	<u>2,084,336</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>1,113,017</u></u>	<u><u>1,893,481</u></u>

The notes form part of these financial statements



# STREET (UK) FOUNDATION

## Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2020

### 1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	284,330	105,488
<b>Adjustments for:</b>		
Depreciation charges	74,289	59,046
Interest received	(26,873)	(18,172)
Finance expense	133,939	143,724
Decrease in stocks	6,356	-
Decrease/(increase) in debtors	14,492,340	(1,623,582)
Decrease in creditors	<u>(14,664,224)</u>	<u>(8,909)</u>
<b>Net cash provided by/(used in) operations</b>	<u>300,157</u>	<u>(1,342,405)</u>

### 2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1/4/19 £	Cash flow £	At 31/3/20 £
<b>Net cash</b>			
Cash at bank	<u>1,893,481</u>	<u>(780,464)</u>	<u>1,113,017</u>
	<u>1,893,481</u>	<u>(780,464)</u>	<u>1,113,017</u>
<b>Debt</b>			
Debts falling due within 1 year	(178,727)	50,033	(128,694)
Debts falling due after 1 year	<u>(1,369,574)</u>	<u>84,040</u>	<u>(1,285,534)</u>
	<u>(1,548,301)</u>	<u>134,073</u>	<u>(1,414,228)</u>
<b>Total</b>	<u>345,180</u>	<u>(646,391)</u>	<u>(301,211)</u>

### 3. FUND PROVIDER LOANS

The balance represents amounts previously received by Street UK Homes Limited, a subsidiary company, from fund providers for the purpose of on lending. Street UK Homes Limited changed its accounting treatment in relation to such funds and as a result of this change the financial statements for the year ended 31 March 2020 do not include the assets or liabilities associated to each fund. This treatment ensures the Balance Sheet position of Street UK Homes Limited as at 31 March 2020 reflects the updated contractual arrangements in place between the company and fund providers. Further details are contained in note 26.

# STREET (UK) FOUNDATION

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 1. ACCOUNTING POLICIES

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The financial statements consolidate the results of the charity and its wholly owned subsidiaries Street (UK) C.I.C. and Street (UK) Services Limited together with the results of Street UK Homes Limited, a company under the common control of the Board of Directors of Street (UK) Foundation. The results of the three subsidiaries are consolidated within the Statement of Financial Activities (SOFA) to give a true and fair view of the state of affairs of the charity and its subsidiaries, therefore the results of the subsidiaries have not been consolidated on a line by line basis.

The charity has availed itself to Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act Formats to reflect the special nature of the charity's activities. A separate SOFA has not been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

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

#### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants are credited to deferred income. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the asset. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred. Grants towards capital for on lending are released to restricted capital reserves when the funds are utilised in accordance with the company's principal activity.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 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.

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 1. ACCOUNTING POLICIES - continued

#### Allocation and apportionment of 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 and management payroll costs. They are incurred directly in support of expenditure on the objects of the charity. 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 the charity's income profile.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- straight line over the life of the lease
Platform development	- 20-50% on cost
Fixtures and fittings	- 10% to 30% on reducing balance
Office and computer equipment	- 20-30% reducing balance & 10% on cost

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### Taxation

The charity is exempt from corporation tax on its charitable activities.

#### 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 funds are raised for particular restricted purposes.

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

#### Financial instruments

##### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### Basic financial liabilities

Basic financial liabilities, including creditors, 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 receipts 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.

## STREET (UK) FOUNDATION

### Notes to the Financial Statements - continued for the Year Ended 31 March 2020

#### 1. ACCOUNTING POLICIES - continued

##### **Financial instruments**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of the company 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.

##### **Equity instruments**

Share capital issued by Street (UK) C.I.C. and Street (UK) Services Limited is recorded at the proceeds received, net of direct costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Capital funds for on lending received from fund providers for on lending to borrowers are included in creditors due after one year. Funds issued to borrowers which have not yet been repaid are included in debtors, funds received for on lending which have not yet been issued to borrowers are retained in a designated bank account which is included in cash at bank and due for repayment to the fund provider on demand.

The fund provider is entitled to receive all future economic benefit associated to all loans issued to borrowers and retained funds for on lending. In the event of a loan issued to a borrower becoming irrecoverable it is the fund provider's responsibility to suffer any irrecoverable amount.

The effect of any increase or decrease in the value of the loan would be an adjustment to the amount recorded as a debtor and an equal and opposite adjustment to the amount recorded as a long term liability.

The amount Street UK Homes Limited will either receive or suffer is contingent upon the fluctuation in market value of each property. Consequently, any fair value adjustment is contingent in nature and the financial statements do not incorporate the effect of any contingent fair value adjustment.

##### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

##### **Operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

##### **Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

##### **Investments**

Investments in subsidiaries are recognised at cost.

Unlisted investments are initially recognised at cost, inclusive of any direct costs associated to the acquisition.

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 1. ACCOUNTING POLICIES - continued

#### Investments

Unlisted investments are assessed for indicators of impairment at each reporting date. An impairment is considered to occur when the recoverable amount of the asset is less than the initial cost. Impairments are recognised in the income statement in the year that they arise.

### 2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	<u>44</u>	<u>62</u>

### 3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Back office charges	1,158,599	1,147,287
Commission	14,076	14,073
Other income	<u>99</u>	<u>11</u>
	<u>1,172,774</u>	<u>1,161,371</u>

### 4. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>26,873</u>	<u>18,172</u>

### 5. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Interest and fees receivable	<u>1,835,396</u>	<u>1,505,421</u>

**Activity:** Provision of loan finance to  
excluded individuals

### 6. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Staff costs	226,745	284,375
Office and sundry	7,043	12,990
Support costs	<u>367,595</u>	<u>345,148</u>
	<u>601,383</u>	<u>642,513</u>

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Provision of loan finance to excluded individuals	<u>1,659,200</u>	<u>490,174</u>	<u>2,149,374</u>

### 8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Other trading activities	367,595	-	367,595
Provision of loan finance to excluded individuals	<u>458,107</u>	<u>32,067</u>	<u>490,174</u>
	<u>825,702</u>	<u>32,067</u>	<u>857,769</u>

Support costs, included in the above, are as follows:

#### Management

	Other trading activities £	Provision of loan finance to excluded individuals £	Total activities 2020 £	Total activities 2019 £
Wages	150,146	167,942	318,088	300,339
Occupancy	39,967	59,950	99,917	92,674
Legal and professional fees	10,024	5,455	15,479	4,160
Telephone	62,752	94,129	156,881	133,098
Office and sundry	57,216	85,823	143,039	184,730
Interest, fees and charges	32,342	22,043	54,385	41,952
Depreciation of tangible and heritage assets	<u>15,148</u>	<u>22,765</u>	<u>37,913</u>	<u>43,549</u>
	<u>367,595</u>	<u>458,107</u>	<u>825,702</u>	<u>800,502</u>

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 8. SUPPORT COSTS - continued

#### Governance costs

	Provision of loan finance to excluded individuals 2020 £	Total activities 2019 £
Auditors' remuneration	26,667	20,403
Auditors' remuneration for non audit work	<u>5,400</u>	<u>3,495</u>
	<u>32,067</u>	<u>23,898</u>

### 9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	26,667	20,403
Auditors' remuneration for non audit work	5,400	3,495
Depreciation - owned assets	74,289	59,046
Other operating leases	191,780	186,834
Pension costs	<u>19,235</u>	<u>16,111</u>

### 10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

#### Trustees' expenses

Expenses totalling £696 were reimbursed to the trustees during the period (2019: £1,202).

### 11. STAFF COSTS

	2020 £	2019 £
Wages and salaries	936,017	1,035,260
Social security costs	99,494	83,477
Other pension costs	<u>19,234</u>	<u>16,456</u>
	<u>1,054,745</u>	<u>1,135,193</u>

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

	2020	2019
Staff	<u>45</u>	<u>50</u>

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 11. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£70,001 - £80,000	<u>1</u>	<u>1</u>

Due to the nature of each employee's diverse roles it is impractical to analyse them between the functions of the charity.

The Group's key management personnel comprise the trustees and the key management of its subsidiary companies; Street (UK) C.I.C., Street (UK) Services Limited and Street UK Homes Limited. The key management personnel of the subsidiaries are the Chief Executive Officer, the Chief Finance Officer, the IT Manager and the Front and Back Office Operation Managers whose employee benefits for the year ended 31 March 2020 total £190,353 (2019 £223,771).

### 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	-	62	62
<b>Charitable activities</b>			
Provision of loan finance to excluded individuals	1,505,421	-	1,505,421
Other trading activities	1,161,371	-	1,161,371
Investment income	<u>18,172</u>	<u>-</u>	<u>18,172</u>
<b>Total</b>	2,684,964	62	2,685,026
<b>EXPENDITURE ON</b>			
<b>Raising funds</b>			
Other trading activities	<u>642,485</u>	<u>28</u>	<u>642,513</u>
	642,485	28	642,513
<b>Charitable activities</b>			
Provision of loan finance to excluded individuals	1,936,991	34	1,937,025
<b>Total</b>	<u>2,579,476</u>	<u>62</u>	<u>2,579,538</u>
<b>NET INCOME</b>	105,488	-	105,488



# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	1,370,306	-	1,370,306
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>1,475,794</u>	<u>-</u>	<u>1,475,794</u>

### 13. TANGIBLE FIXED ASSETS

#### Group

	Improvements to property £	Platform development £	Fixtures and fittings £	Office and computer equipment £	Totals £
<b>COST</b>					
At 1 April 2019	19,928	84,900	7,447	296,006	408,281
Additions	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>1,587</u>	<u>11,587</u>
At 31 March 2020	<u>19,928</u>	<u>94,900</u>	<u>7,447</u>	<u>297,593</u>	<u>419,868</u>
<b>DEPRECIATION</b>					
At 1 April 2019	16,336	48,742	3,650	181,417	250,145
Charge for year	<u>651</u>	<u>36,376</u>	<u>770</u>	<u>36,492</u>	<u>74,289</u>
At 31 March 2020	<u>16,987</u>	<u>85,118</u>	<u>4,420</u>	<u>217,909</u>	<u>324,434</u>
<b>NET BOOK VALUE</b>					
At 31 March 2020	<u>2,941</u>	<u>9,782</u>	<u>3,027</u>	<u>79,684</u>	<u>95,434</u>
At 31 March 2019	<u>3,592</u>	<u>36,158</u>	<u>3,797</u>	<u>114,589</u>	<u>158,136</u>

#### Company

The company did not hold any fixed assets at 31 March 2020 (2019: £nil).

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 14. FIXED ASSET INVESTMENTS

#### Group

	Shares in Unlisted investments £
<b>COST</b>	
At 1 April 2019 and 31 March 2020	<u>73,699</u>
<b>PROVISIONS</b>	
At 1 April 2019 and 31 March 2020	<u>73,507</u>
<b>NET BOOK VALUE</b>	
At 31 March 2020	<u>192</u>
At 31 March 2019	<u>192</u>

There were no investment assets outside the UK.

The company investments at the balance sheet date in the share capital of companies include the following:

#### Street (UK) Homes Limited

Registered office: 50 Cliveland Street, Birmingham, B19 3SH

The principal activity is the provision of relocation, home improvement and disabled facility loans for individuals who for a variety of reasons are unable to secure credit from mainstream financial institutions.

	%
Class of share:	holding
Ordinary	100

#### Street (UK) C.I.C

Registered office: 50 Cliveland Street, Birmingham, B19 3SH

The principal activity is that of relieving poverty and unemployment through the provision of temporary support.

	%
Class of share:	holding
Ordinary	100

	2020	2019
	£	£
Aggregate capital and reserves	2	2

#### Street (UK) Services Limited

Registered office: 50 Cliveland Street, Birmingham, B19 3SH

The principal activity is the provision of back office services, computer software, training and support.

	%
Class of share:	holding
Ordinary	100

	2020	2019
	£	£
Aggregate capital and reserves	2	2

The profits earned by the subsidiaries are donated to the charity.

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 15. STOCKS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Stocks	<u>-</u>	<u>6,356</u>	<u>-</u>	<u>-</u>

### 16. DEBTORS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year:				
Trade debtors	207,938	217,772	-	-
Loan portfolio	1,775,687	2,296,617	-	-
Amounts due from subsidiary undertakings	-	-	1,668,970	1,408,192
Other debtors	30,900	38,450	30,900	38,450
Prepayments and accrued income	<u>106,694</u>	<u>185,989</u>	<u>-</u>	<u>-</u>
	<u>2,121,219</u>	<u>2,738,828</u>	<u>1,699,870</u>	<u>1,446,642</u>
Amounts falling due after more than one year:				
Loan portfolio	-	13,882,281	-	-
Other debtors	<u>19,700</u>	<u>12,150</u>	<u>19,700</u>	<u>12,150</u>
Aggregate amounts	<u>2,140,919</u>	<u>16,633,259</u>	<u>1,719,570</u>	<u>1,458,792</u>

The aggregate loan portfolio figure is shown after the following adjustments:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Loan portfolio before adjustments for bad debts and accrued interest and fees	3,790,380	18,321,890		
Specific bad debt provision – personal loans	(180,292)	(520,647)	-	-
General bad debt provision – personal loans	2,830,269	(2,451,066)	-	-
Accrual for interest due not yet received	<u>995,868</u>	<u>828,721</u>		
	<u>1,775,687</u>	<u>16,178,898</u>	<u>-</u>	<u>-</u>

Street UK Homes Limited, a subsidiary company, changed its accounting treatment in relation to funds received from fund providers for on lending. As a result of this change the financial statements for the year ended 31 March 2020 do not include assets or liabilities associated to each fund. This treatment ensures the Balance Sheet position of Street UK Homes Limited at 31 March 2020 reflects the updated contractual arrangements in place between the company and fund providers. Further details are contained in note 26.

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 17. CASH AT BANK

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash and bank and in hand	<u>1,113,017</u>	<u>1,893,481</u>	<u>47,600</u>	<u>20,671</u>
Total	<u>1,113,017</u>	<u>1,893,481</u>	<u>47,600</u>	<u>20,671</u>

Included within the group's cash at bank and in hand are funds totalling £nil (2019: £1,480,260) which represent unspent loans for on lending repayable to the applicable fund provider.

### 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other loans (see note 20)	128,694	178,727	-	-
Trade creditors	44,476	40,791	-	-
Social security and other taxes	29,363	34,927	-	-
Other creditors	<u>98,838</u>	<u>115,739</u>	<u>7,050</u>	<u>3,673</u>
	<u>301,371</u>	<u>370,184</u>	<u>7,050</u>	<u>3,673</u>

### 19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other loans (see note 20)	1,285,534	1,369,574	-	-
Other creditors	<u>-</u>	<u>15,473,296</u>	<u>-</u>	<u>-</u>
	<u>1,285,534</u>	<u>16,842,870</u>	<u>-</u>	<u>-</u>

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Fund provider loans	-	15,473,296	-	-
Other loans - 2-5 Years	<u>1,285,534</u>	<u>1,369,574</u>	<u>-</u>	<u>-</u>
	<u>1,285,534</u>	<u>16,842,870</u>	<u>-</u>	<u>-</u>

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Fund Provider Loans represent amounts received by Street UK Homes Limited, a subsidiary company, from fund providers which have been made available for lending in accordance with the contractual arrangements that exist between the fund provider and Street UK Homes Limited. The fund as at 31 March 2020 consists of the following balances:

Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
-	15,473,296	-	-

Street UK Homes Limited changed its accounting treatment in relation to funds received from fund providers for on lending. As a result of this change the financial statements for the year ended 31 March 2020 do not include assets or liabilities associated to each fund. This treatment ensures the Balance Sheet position of Street UK Homes Limited at 31 March 2020 reflects the updated contractual arrangements in place between the company and fund providers. Further details are contained in note 26.

### 20. LOANS

An analysis of the maturity of loans is given below:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year on demand:				
Other loans	128,694	178,727	-	-
Amounts falling due between two and five years:				
Other loans - 2-5 years	1,285,534	1,369,574	-	-

### 21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Within one year	114,247	128,247	-	-
Between one and five years	23,688	329,893	-	-
	137,935	458,140	-	-

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 22. SECURED DEBTS

The following secured debts are included within creditors:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Fund Provider Loans	-	8,369,718	-	-
Other loans	1,414,228	1,551,766	-	-
	<u>1,414,228</u>	<u>9,921,484</u>	<u>-</u>	<u>-</u>

The Fund Provider Loans are owed by Street (UK) Homes Limited.

The Other loans are owed by Street (UK) C.I.C.

### 23. ACCRUALS AND DEFERRED INCOME

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accruals and deferred income	<u>2,533</u>	<u>2,576</u>	<u>-</u>	<u>-</u>

### 24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fixed assets	92,901	2,533	95,434	158,136
Investments	192	-	192	192
Current assets	3,253,936	-	3,253,936	18,533,096
Current liabilities	(301,371)	-	(301,371)	(370,184)
Long term liabilities	(1,285,534)	-	(1,285,534)	(16,842,870)
Accruals and deferred income	-	(2,533)	(2,533)	(2,576)
	<u>1,760,124</u>	<u>-</u>	<u>1,760,124</u>	<u>1,475,794</u>
Company	Unrestricted fund £	Restricted funds £	Total funds £	Total funds £
Investments	4	-	4	4
Current assets	1,767,170	-	1,767,170	1,479,463
Liabilities	(7,050)	-	(7,050)	(3,673)
	<u>1,760,124</u>	<u>-</u>	<u>1,760,124</u>	<u>1,475,794</u>

### 25. MOVEMENT IN FUNDS

	At 1/4/19 £	Net movement in funds £	At 31/3/20 £
Unrestricted funds			
General fund	1,475,794	284,330	1,760,124
<b>TOTAL FUNDS</b>	<u>1,475,794</u>	<u>284,330</u>	<u>1,760,124</u>

# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 25. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	3,035,043	(2,750,713)	284,330
<b>Restricted funds</b>			
Department of Work and Pensions	44	(44)	-
<b>TOTAL FUNDS</b>	<u>3,035,087</u>	<u>(2,750,757)</u>	<u>284,330</u>

### Comparatives for movement in funds

	At 1/4/18 £	Net movement in funds £	At 31/3/19 £
<b>Unrestricted funds</b>			
General fund	1,370,306	105,488	1,475,794
<b>TOTAL FUNDS</b>	<u>1,370,306</u>	<u>105,488</u>	<u>1,475,794</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,684,964	(2,579,476)	105,488
<b>Restricted funds</b>			
Department of Work and Pensions	62	(62)	-
<b>TOTAL FUNDS</b>	<u>2,685,026</u>	<u>(2,579,538)</u>	<u>105,488</u>

**Department of Work and Pensions** - Funding to cover capital expenditure.

## STREET (UK) FOUNDATION

### Notes to the Financial Statements - continued for the Year Ended 31 March 2020

#### 26. POST BALANCE SHEET EVENTS

During March 2020 the rapid spread of Covid-19 severely affected the United Kingdom's economy. The financial impact of Covid -19 on the Charity's stakeholders and loan portfolio has been considered and the trustees believe that the bad debt provision associated to personal loans should increase by £120,000 to recognise the potential financial effect of the pandemic on the Group's loan portfolio. Furthermore, the Trustees confirm that they have considered the effect of any further uncertainties as known at 24 July 2020 associated to the impact of Covid -19 when considering the Group's going concern position.

In addition, Street UK Homes Limited, a subsidiary company, has changed its accounting treatment for funds received from fund providers for on lending. The reason for the change is as a result of the directors pre year end strategic decision to terminate certain services offered by the company to fund providers.

As a result of the Board's decision it is anticipated that any assets and liabilities associated to each fund will be returned to fund providers during the year ending 31 March 2021. Consequentially, the contractual arrangements in place between the company and fund providers have changed and therefore a change in accounting treatment is necessary.

As a result of the change in treatment the Group's Balance Sheet as at 31 March 2020 does not include the following assets and liabilities which are associated to each fund:

	£
Loan portfolio	14,688,705
Cash at bank	827,895
Fund provider funds	(15,516,600)

The revised treatment ensures the Group's financial statements for the year ended 31 March 2020 reflect the updated contractual arrangements in place.

#### 27. ULTIMATE CONTROLLING PARTY

The Board of Trustees control the charitable parent company.

#### 28. PARENT COMPANY'S STATEMENT OF FINANCIAL ACTIVITIES

The parent company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 and has not published its own Statement of Financial Activities. The total comprehensive income attributable to the parent company, was a surplus of £284,330 (2019 £105,488).



# STREET (UK) FOUNDATION

## Notes to the Financial Statements - continued for the Year Ended 31 March 2020

### 29. ANALYSIS OF INTER-COMPANY LOAN

	<b>2020</b> <b>£</b>
Balance at 1 April 2019 owed to charity	1,408,192
Donation from subsidiary undertakings	(266,447)
Funds transferred to and from subsidiary undertakings	<u>527,225</u>
Balance at 31 March 2020 owed to charity	<u><u>1,668,970</u></u>

As at 31 March 2020 an inter-company loan exists between Street (UK) Foundation and Street (UK) C.I.C., Street (UK) Services Limited and Street UK Homes Limited. The subsidiary undertakings assist in meeting the objectives of the charity.