

Charity registration number 1118773

Company registration number 05841338 (England and Wales)

**STREETSCENE ADDICTION RECOVERY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

STREETSCENE ADDICTION RECOVERY

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Mr J Dorrington Dr D Phillips Mrs A Rodgers Ms R Pullan	(Appointed 23 November 2023)
Secretary	Lord T Howson-Green	
Chief Executive Charity number	1118773	
Company number	05841338	
Registered office	108 Cobham Road Ferndown Industrial Estate Wimborne Dorset BH21 7PQ	
Auditor	Fiander Tovell Limited Stag Gates House 63/64 The Avenue Southampton Hampshire SO17 1XS	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ HSBC 165-176 High Street Poole BH15 1AV	
Solicitors	Laceys Solicitors 9 Poole Road Bournemouth Dorset BH2 5QR	

STREETSCENE ADDICTION RECOVERY

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STREETSCENE ADDICTION RECOVERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2024

The trustees present their annual report and financial statements for the year ended 30 June 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

StreetScene Addiction Recovery is a charitable company governed by Memorandum and Articles of Association incorporated on the 8th June 2006. It represents the incorporation of the earlier charitable trust, StreetScene, originally declared in 1989, registration number 802521. It has two objectives:

- To relieve and rehabilitate persons who are suffering or have suffered from past or present drug addiction or other forms of addiction.
- To advance public education, particularly amongst young people, about all matters relating to drug abuse.

Assets

All the fixed assets are utilised for the work of the charitable company and are held by the company. All deeds are retained by the Solicitors; Laceys. The company retains the reserves from the operations of the company, operating profits and prepaid accounts in the reserves account.

Operations

StreetScene operates three residential rehabilitation units being Allington House - Bournemouth (16 beds), Francis House - Southampton (18 beds) and Cornerways – Bournemouth (20 beds) where clients receive residential detoxification and treatment. Additionally, the Unity Project operates 50 tertiary beds as supported accommodation to assist clients to reintegrate.

StreetScene operates for the public benefit in both helping people suffering from addictions and educating both those suffering and those affected by addiction but the result of treating the clients means there is a benefit to society as a whole caused by the lifestyle of those people who are in active addiction.

Review of 2023 – 2024 operations.

StreetScene faced some challenges in this year due to a lower than expected occupancy rate (79% compared to 89% in the 22-23 year), however procedures were put in place to mitigate this and although the year was challenging, and a small deficit of £70,899 was made (compared to a £86,410 surplus in 2023), the charity was in a strong position going into 2024-2025.

The vast majority of statutory clients paid a weekly fee of between £850 and £910, with 18 paying £990 per week since the price increase on 1 April 2024. There was also a price increase for private clients which has helped contribute to the performance for the year, despite the drop in occupancy.

The detoxification program was expanded and price rises were minimised to enable StreetScene to be accessible to more people and Bursary beds were still offered to those people who would not have been able to access treatment anywhere else.

We have retained access to Avensure for HR matters and QCS for online policies. We are involved in introducing a new HR system with Moorepay, which will give staff greater access to their own records. This will bed-in during the coming year and overall should improve efficiency, reduce paper use, speed up communication between different parts of the organisation and hopefully free up extra time for staff to be with clients, rather than dealing with paper.

We had an inspection with CQC at the beginning of the year, where the findings came out as an overall rating of Good across all houses. CQC have recently announced that they have been found unfit for purpose so we are waiting to see what happens next. At present there is little confidence in the system with regards to the specialist field of addiction rehabilitation.

STREETSCENE ADDICTION RECOVERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Bursary Beds

This year we provided bursary treatment for 3 clients for 105 days, with one in a bursary bed at time of reporting. This includes one detox. We also provided assistance for far more clients who were only given limited funding by virtue of the financial crisis and the lack of appropriate housing available. This support provided free care for approximately 350 days.

Public benefit

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

Reserves Policy

StreetScene's policy is to establish a reserve fund as defined by SORP 2000 and the Charity Commission advice CC19.

The reserve fund is to:

1. Provide short-term funding to ensure the company can meet its financial and legal obligations in the event of restricted or fluctuating cash flow. (FINANCIAL)
1. To meet the costs of any future legislation; such as the requirements of extra training, equipment or professional advice or to finance any exceptional unforeseen costs or repairs. (CONTINGENCIES AND RISKS)
1. To take advantage of market opportunities to expand or improve the service provided within the remit of the charities governing documents, including the funding of new projects, central development of management, the funding of furniture and equipment, the training and development needs of its staff and volunteers and the acquisition of suitable premises. (OPPORTUNITIES)

While no figure can be put on the level of the reserve needed as they are beyond the charities control, the Trustees have agreed it would be prudent that a policy that aims to achieve a level of reserves equivalent to one months' unrestricted expenditure is an ideal target.

This year our reserves have been used on occasion to assist short term cash shortfalls. We would like to retain one months running costs in reserve however this is difficult to achieve but is still our target. It was not possible or prudent to use our reserves to reduce the mortgages due to the very high penalties which would have become due. All reserves are held as cash with HSBC.

Plans for 2024 to 2025

- Investigate potential alternative financial plans and income sources
- Look at alternative mortgage lenders
- Expand and restructure resettlement
- Budget for staff recruitment.
- Budget for staff training.
- Paint outside of Allington House
- Slim down / simplify paperwork
- Develop a training package suitable for certification
- Enhance Chemsex program
- Look at recommencing fundraising

Achievements for 2023 – 2024

- New auditor was appointed
- Set up volunteer package
- Set up one full meeting of all staff each year
- New admissions team trained
- Detoxification treatment expanded
- Major cost savings implemented especially in energy savings
- Computer systems and data backup upgraded

STREETSCENE ADDICTION RECOVERY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Structure, governance and management

The company has a structure based on five tiers.

Tier 1: The board of Director/Trustees, who have overall control of the charity and meet at least 3 times each year to discuss the performance to date and future plans. A rotation of trustees aims to visit every unit each month to observe the work first hand and speak to clients and staff about their experiences with StreetScene Addiction Recovery. Their report is presented at the next Trustees meeting.

Tier 2: The operational responsibility is delegated to the five chiefs of staff, who make up a team of people who work together with particular areas of responsibility, which are:

- CEO - Tessa Corner - Developments, statistics, client advocacy, political and strategic developments.
- COM – Patrick Gormley - The upkeep and occupancy of units, relations with purchasers, expanding client base,
- CFO – Tim Howson-Green - Finance and legal matters
- CHR – Sharon Leonard - Ensuring adherence to legislation, policy and procedure within the units regarding HR
- COT – Zoe Martindale - Ensuring the treatment provided to clients is both consistent and of the highest standard.

Tier 2 meet on a regular basis to discuss the overall strategic planning for the organisation.

Tier 3: The Managers of each unit, the treatment units being Allington House, Cornerways, Francis House and the Re-settlement unit, based at Unity.

The Administration Managers providing support to all units are: Finance, IT, Purchasing and Maintenance.

Tier 4: The staff with external responsibilities, including the finance team, DSS Liaison, the in-house purchaser, the counsellors and project staff who have external responsibilities to our service purchasers.

Tier 5: The staff are those who work within the units but whose external responsibilities are generally through the unit manager, this includes weekend project staff, night staff, maintenance staff and volunteers.

Each staff member has their own role within the charity, covered by job descriptions, generally the roles are:

- Manager
- Team leader
- Counsellor / key worker
- Project worker
- Night care officer
- Administrator
- Maintenance

These staff members also have a voice in regular meetings held in each unit, line management meetings, supervision and regular training events.

All key management personnel salaries are approved by the trustees and inflationary increases are applied each year, which is set as a proportion of the inflationary increase applied to other members of staff.

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

Mr J Dorrington

Dr D Phillips

Mrs A Rodgers

Ms R Pullan

(Appointed 23 November 2023)

Mrs H Corner

(Deceased 24 December 2023)

Recruitment and appointment of trustees

Any member of the body of Trustees is able to nominate further trustees to the board or applications can be received via the local Voluntary Services. If the person is willing to be considered after various checks have been undertaken, including CRB checks, the board can vote a new member on to the board by means of a majority vote.

STREETSCENE ADDICTION RECOVERY

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

FOR THE YEAR ENDED 30 JUNE 2024

Statement of trustees' responsibilities

The trustees, who are also the directors of Streetscene Addiction Recovery for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Auditor

In accordance with the company's articles, a resolution proposing that Fiander Tovell Limited be reappointed as auditor of the company will be put at a General Meeting.

In summary

These are challenging times for everyone. We need to remain vigilant to ensure we can continue to help and support people in need. We need to continually strive to do the best we possibly can for our clients and staff within the financial constraints we face, to help them move on from their addiction to become valuable members of society, contributing to the community, whilst at the same time continuing to support all our staff and volunteers.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

Rebecca Pullan
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Ms R Pullan

Trustee

30/4/2025 | 15:59 BST

Date:

STREETSCENE ADDICTION RECOVERY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STREETSCENE ADDICTION RECOVERY

Qualified opinion

We have audited the financial statements of Streetscene Addiction Recovery (the 'charity') for the year ended 30 June 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We have not been able to gain significant audit evidence in relation to the existence of a stock balance of £34,240 due to a year end count not being completed as at 30 June 2024. Consequently we were unable to determine whether any adjustment to this balance was necessary.

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

STREETSCENE ADDICTION RECOVERY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STREETSCENE ADDICTION RECOVERY

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

In respect solely of the limitation on our work relating to existence of stock described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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

- 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

STREETSCENE ADDICTION RECOVERY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STREETSCENE ADDICTION RECOVERY

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, employment, environmental and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- tested a sample of bank payments to identify payments being made to unexpected bank accounts.
- performed transactional testing on payroll costs in respect of those employees with responsibility or authority in connection with the payroll function.
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation.
- enquiring of management as to actual and potential litigation and claims.

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

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

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

Use of our report

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

STREETSCENE ADDICTION RECOVERY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STREETSCENE ADDICTION RECOVERY

Adam Buse FCA (Senior Statutory Auditor)
for and on behalf of Fiander Tovell Limited

Chartered Accountants
Statutory Auditor

Adam Buse 30/4/2025 | 17:13 BST
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Stag Gates House
63/64 The Avenue
Southampton
Hampshire
SO17 1XS

STREETSCENE ADDICTION RECOVERY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Notes							
Income and endowments from:							
Donations and legacies	3	21,036	-	21,036	27,682	1,100	28,782
Charitable activities	4	2,834,504	-	2,834,504	2,893,106	-	2,893,106
Investments	5	3,412	-	3,412	1,180	-	1,180
Other income	6	-	-	-	694	-	694
Total income		2,858,952	-	2,858,952	2,922,662	1,100	2,923,762
Expenditure on:							
Charitable activities	7	2,929,851	-	2,929,851	2,833,303	4,049	2,837,352
Total expenditure		2,929,851	-	2,929,851	2,833,303	4,049	2,837,352
Net income/(expenditure)		(70,899)	-	(70,899)	89,359	(2,949)	86,410
Transfers between funds							
		1,329	(1,329)	-	-	-	-
Net movement in funds	9	(69,570)	(1,329)	(70,899)	89,359	(2,949)	86,410
Reconciliation of funds:							
Fund balances at 1 July 2023		1,407,197	1,329	1,408,526	1,317,838	4,278	1,322,116
Fund balances at 30 June 2024		1,337,627	-	1,337,627	1,407,197	1,329	1,408,526

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

STREETSCENE ADDICTION RECOVERY

BALANCE SHEET
AS AT 30 JUNE 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		1,727,397		1,757,688
Current assets					
Stocks	14	34,240		22,980	
Debtors	15	426,396		320,561	
Cash at bank and in hand		135,171		320,222	
		595,807		663,763	
Creditors: amounts falling due within one year	17	(325,782)		(331,774)	
Net current assets			270,025		331,989
Total assets less current liabilities			1,997,422		2,089,677
Creditors: amounts falling due after more than one year	18		(659,795)		(681,151)
Net assets			1,337,627		1,408,526
The funds of the charity					
Restricted income funds	20		-		1,329
Unrestricted funds	21		1,337,627		1,407,197
			1,337,627		1,408,526

The notes on pages 12 to 23 form part of these financial statements.

The financial statements were approved by the trustees on 30/4/2025 | 15:59 BST

Rebecca Pullan
Ms R Pullan
Trustee

Company registration number 05841338 (England and Wales)

STREETSCENE ADDICTION RECOVERY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(67,762)		285,239
Investing activities					
Purchase of tangible fixed assets		(48,949)		(4,500)	
Proceeds recieved on loans		-		(1,663)	
Repayment of loans		665		-	
Investment income received		3,412		1,180	
Net cash used in investing activities			(44,872)		(4,983)
Financing activities					
Repayment of bank loans		(72,417)		(75,145)	
Net cash used in financing activities			(72,417)		(75,145)
Net (decrease)/increase in cash and cash equivalents			(185,051)		205,111
Cash and cash equivalents at beginning of year			320,222		115,111
Cash and cash equivalents at end of year			135,171		320,222

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

Charity information

Streetscene Addiction Recovery is a private company limited by guarantee incorporated in England and Wales. The registered office is 108 Cobham Road, Ferndown Industrial Estate, Wimborne, Dorset, BH21 7PQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

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

1.4 Income

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

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

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

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	2% straight line
Fixtures and fittings	20% on straight line
Computers	33% on straight line
Motor vehicles	25% on reducing balance

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

The policies detailed in the 2023 financial statements were not consistent with the accounting policies being applied in the fixed asset register, therefore the policies noted above have been updated to correctly reflect the depreciation being charged. This is not a change of accounting estimate.

1.7 Impairment of fixed assets

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

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

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

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

(Continued)

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

2 Critical accounting estimates and judgements

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

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

The trustees consider there to be no critical accounting estimates.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	21,036	-	21,036	14,402	1,100	15,502
Donated goods and services	-	-	-	13,280	-	13,280
	<u>21,036</u>	<u>-</u>	<u>21,036</u>	<u>27,682</u>	<u>1,100</u>	<u>28,782</u>

Donated goods and services

The charity in line with its charitable objectives offers assistance and treatment to ex clients at below market cost in circumstances deemed to be appropriate to all concerned. During the year the charity provided the equivalent of 105 (2023 - 48) days of such assistance at a valuation of £16,350 (2023 - £13,280).

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rehabilitation income		
Fees receivable	2,282,398	2,355,830
Resettlement income		
Fees receivable	552,106	537,276
	<u>2,834,504</u>	<u>2,893,106</u>

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	3,412	1,180

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	-	694

7 Expenditure on charitable activities

	Rehabilitation services 2024 £	Resettlement services 2024 £	Total 2024 £	Rehabilitation services 2023 £	Resettlement services 2023 £	Total 2023 £
Direct costs						
Staff costs	992,520	279,577	1,272,097	946,930	285,161	1,232,091
Depreciation and impairment	-	-	-	49	-	49
Allington House	200,011	-	200,011	142,572	-	142,572
Francis House	187,456	-	187,456	158,559	-	158,559
Cornerways	176,325	-	176,325	167,994	-	167,994
Resettlement	-	370,138	370,138	-	272,499	272,499
	1,556,312	649,715	2,206,027	1,416,104	557,660	1,973,764

Share of support and governance costs (see note 8)

Support	707,386	4,993	712,379	824,757	31,331	856,088
Governance	11,445	-	11,445	7,500	-	7,500
	2,275,143	654,708	2,929,851	2,248,361	588,991	2,837,352

Analysis by fund

Unrestricted funds	2,275,143	654,708	2,929,851	2,244,312	588,991	2,833,303
Restricted funds	-	-	-	4,049	-	4,049
	2,275,143	654,708	2,929,851	2,248,361	588,991	2,837,352

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

8 Support costs allocated to activities

	2024 £	2023 £
Staff costs	349,422	330,165
Depreciation	79,240	69,253
Operating lease charges	23,391	19,382
Cost of finance	6,787	4,892
Client welfare	22,413	66,059
Loan interest	62,266	49,335
Premesis costs	18,131	82,824
Office expenses	65,833	94,409
Motor	22,375	12,050
Insurance	37,814	25,186
Misc	17,438	29,155
Bad debts	1,146	69,834
Staff costs	6,123	3,544
Governance costs	11,445	7,500
	<u>723,824</u>	<u>863,588</u>
Analysed between:		
Rehabilitation services	718,831	832,257
Resettlement services	4,993	31,331
	<u>723,824</u>	<u>863,588</u>

9 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	9,571	3,465
Depreciation of owned tangible fixed assets	79,240	69,302
Operating lease charges	23,391	19,382
	<u></u>	<u></u>

10 Trustees

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

11 Employees

The average monthly number of employees during the year was:

2024 Number	2023 Number
<u>62</u>	<u>63</u>

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

11 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	1,449,128	1,410,966
Social security costs	117,526	104,080
Other pension costs	54,865	47,210
	<u>1,621,519</u>	<u>1,562,256</u>

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

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	<u>316,596</u>	<u>295,132</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 July 2023	2,539,976	180,187	69,952	29,200	2,819,315
Additions	-	40,605	3,794	4,550	48,949
At 30 June 2024	<u>2,539,976</u>	<u>220,792</u>	<u>73,746</u>	<u>33,750</u>	<u>2,868,264</u>
Depreciation and impairment					
At 1 July 2023	847,402	129,908	62,970	21,347	1,061,627
Depreciation charged in the year	50,800	19,493	6,599	2,348	79,240
At 30 June 2024	<u>898,202</u>	<u>149,401</u>	<u>69,569</u>	<u>23,695</u>	<u>1,140,867</u>
Carrying amount					
At 30 June 2024	<u>1,641,774</u>	<u>71,391</u>	<u>4,177</u>	<u>10,055</u>	<u>1,727,397</u>
At 30 June 2023	<u>1,692,574</u>	<u>50,279</u>	<u>6,982</u>	<u>7,853</u>	<u>1,757,688</u>

Land and buildings comprise Freehold properties purchased in Streetscene Addiction Recovery at £1,416,886 and Freehold properties transferred from Streetscene Charitable Trust on the winding down of that charity's activities. The properties transferred from the latter were revalued in 2005 at £1,500,000 and were transferred in 2008 at £1,322,640 being the valuations less depreciation to date of transfer.

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

14 Stocks

	2024 £	2023 £
Finished goods and goods for resale	34,240	22,980

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	270,460	216,082
Other debtors	10,710	9,211
Prepayments and accrued income	145,226	95,268
	426,396	320,561

16 Loans and overdrafts

	2024 £	2023 £
Bank loans	739,857	812,275
Payable within one year	80,062	131,124
Payable after one year	659,795	681,151
Amounts included above which fall due after five years:		
Payable by instalments	269,432	156,655

The long-term loans are secured by fixed charges over the properties 20 Bradley Road, Bournemouth, 46 Dean Park Road, Bournemouth and 2 Hulse Road, Southampton dated 2 September 2016. The loan is for a period of 15 years ending in September 2031.

17 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	16	80,062	131,124
Other taxation and social security		28,380	24,005
Trade creditors		152,161	130,612
Other creditors		7,152	8,245
Accruals and deferred income		58,027	37,788
		325,782	331,774

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

18 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	16	659,795	681,151

19 Retirement benefit schemes

Defined contribution schemes	2024 £	2023 £
Charge to profit or loss in respect of defined contribution schemes	54,865	47,210

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

A total of £8,885 (2023 - £7,675) of these contributions were unpaid as at the balance sheet date.

20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 July 2023 £	Incoming resources £	Resources expended £	Transfers £	At 30 June 2024 £
Motor	148	-	-	(148)	-
Football	81	-	-	(81)	-
Other	1,100	-	-	(1,100)	-
	<u>1,329</u>	<u>-</u>	<u>-</u>	<u>(1,329)</u>	<u>-</u>

Previous year:	At 1 July 2022 £	Incoming resources £	Resources expended £	Transfers £	At 30 June 2023 £
Motor	197	-	(49)	-	148
Football	81	-	-	-	81
Fire	4,000	-	(4,000)	-	-
Other	-	1,100	-	-	1,100
	<u>4,278</u>	<u>1,100</u>	<u>4,049</u>	<u>-</u>	<u>1,329</u>

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 July 2023	Incoming resources	Resources expended	Transfers	At 30 June 2024
	£	£	£	£	£
General funds	1,407,197	2,858,952	(2,929,851)	1,329	1,337,627
Previous year:	At 1 July 2022	Incoming resources	Resources expended	Transfers	At 30 June 2023
	£	£	£	£	£
General funds	1,317,838	2,922,662	(2,833,303)	-	1,407,197

22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	2024	2024	2024
	£	£	£
At 30 June 2024:			
Tangible assets	1,727,397	-	1,727,397
Current assets/(liabilities)	270,025	-	270,025
Long term liabilities	(659,795)	-	(659,795)
	1,337,627	-	1,337,627
	Unrestricted funds	Restricted funds	Total
	2023	2023	2023
	£	£	£
At 30 June 2023:			
Tangible assets	1,757,688	-	1,757,688
Current assets/(liabilities)	330,660	1,329	331,989
Long term liabilities	(681,151)	-	(681,151)
	1,407,197	1,329	1,408,526

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

23 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	38,845	-
Between two and five years	142,379	-
In over five years	28,901	-
	<u>210,125</u>	<u>-</u>

24 Related party transactions

Transactions with related parties

Within the year, the employees of Imperial Homes South Limited undertook fundraising for Streetscene which generated £11k of donations. One of the Streetscene trustees is a director of Imperial Homes.

Purchases of £5,679 (2023: £7,365) were also made from Imperial Homes South Limited in the year.

During the year, the spouse of the CFO was employed by the charity to provide additional support to the finance team. The CFO subsequently requested to reduce their salary to offset the cost of the additional support.

The recruitment, and a decision on the request to reduce the CFO's salary, were approved by the Board of Trustees, without any input from the finance director in accordance with the charity's conflict of interest policy.

STREETSCENE ADDICTION RECOVERY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

25 Cash generated from operations	2024	2023
	£	£
(Deficit)/surplus for the year	(70,899)	86,410
Adjustments for:		
Investment income recognised in statement of financial activities	(3,412)	(1,180)
Depreciation and impairment of tangible fixed assets	79,240	69,302
Movements in working capital:		
(Increase)/decrease in stocks	(11,260)	10,219
(Increase)/decrease in debtors	(106,500)	125,622
Increase/(decrease) in creditors	45,069	(5,134)
Cash (absorbed by)/generated from operations	(67,762)	285,239
26 Analysis of changes in net (debt)/funds		
	At 1 July 2023	Cash flows At 30 June 2024
	£	£
Cash at bank and in hand	320,222	(185,051) 135,171
Loans falling due within one year	(131,124)	51,062 (80,062)
Loans falling due after more than one year	(681,151)	21,356 (659,795)
	(492,053)	(112,633) (604,686)