

**BEACON RECOVERY
FINANCIAL STATEMENTS
AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED
31 MAY 2023**

**BEACON RECOVERY
TRUSTEES ANNUAL REPORT
for the year ended 31 May 2023**

The trustees are pleased to be present their Annual Report together with the financial statements of the charity for the year ended 31 May 2023. The financial statements comply with the Charities Act 2011 and Accounting and Reporting: 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 2015).

Our purpose and activities

The purpose of the charity is the relief of the mental and physical sickness of persons in need by reason of addiction to drugs and/or alcohol, in particular by the provision of housing, advice, counselling and support.

The charity provides supported housing to persons who wish to recover from their addiction. Housing is provided in a central hostel with 44 en-suite single rooms and in 8 dispersed individual “move-on” properties. Support is provided on a 24/7 basis – a much higher level than provided by statutory Housing Support schemes. The success levels achieved provide empirical proof that safe housing combined with high levels of person-centred support are effective in assisting recovery from addiction. Further support is given by encouraging resident clients, at the relevant point in their recovery cycle, to participate in volunteering, work placement and learning projects. The charity has entered into arrangements with a number of selected organisations in the Bradford and surrounding Districts, principally in the voluntary and community sector, that are able to provide opportunities for our residents to use existing skills or learn new ones in workplace environments. The charity itself provides similar opportunities.

Where appropriate, residents are referred to local organisations that provide statutorily funded addiction treatment programmes and close liaison is maintained between the resident’s hostel-based key support workers and staff in external organisations to assist recovery. Residents are regularly but randomly tested for drug/alcohol usage, used principally to provide evidence they are maintaining drug/alcohol free lives.

The Trustees have shaped the objectives of the charity and planned its activities, having given due consideration to the Charity Commission’s guidance on public benefit, including the guidance ‘public benefit: running a charity’ (PB2). They are vigilant in ensuring that not only is public benefit delivered by the charity, but that it is quantified in social, economic and financial terms in order that clear evidence of public benefit can be demonstrated. In the main, addiction is funded through acquisitive crime. Based on the cost of acquiring addictive illegal substances, the average intake per addict and the conversion rate of stolen goods in the black market, maintaining 44 addicts drug and/or alcohol free saves £2.0 million per annum in terms of illegally obtained goods. Using government published economic data, the saving in police, court and prison costs is a further £2.2 million per annum. In social terms, there are two separate gains: social and economic. Public disorder and crime are decreased and the safety and positive perceptions of the general public increased. Economic gains are those derived from the volunteering and work placement activities. Using minimum wage as replacement wage cost, the benefit to the organisations that provided these opportunities, for the year ended 31 May 2022, was over £32,000 (2022- £32,000). Finally, and most importantly, residents, on achieving recovery, are able to live independently as contributing members of general society.

The charity has benefited from the 5 volunteers who have worked with us during the year. We provide volunteer opportunities for people returning to work who wish to develop new skills, for students who are considering social care and support as a career and for our own beneficiaries who have made sufficient progress in their recovery to be able to contribute through volunteering or work placement.

Achievements and Performance

During the year the charity provided supported accommodation for 94 recovering addicts (2022 – 91) for 16,675 days (2022 – 16,829 days). Admissions and exits were no longer affected by the implementation of the national guidelines during the COVID pandemic relating to the movement of people, but were in the previous year as Bradford was seriously affected by periods of national lockdown. Through continuing and improved adherence to guidelines, the charity's residents and staff remained 100% free from infection by any of the COVID variants during the year.

Residents are principally from the Bradford District. Referral sources have evolved over the years of our operation: In 2022-23, 22% (21-22 – 39%) were referred from prisons having commenced their recovery during their sentences reflecting our excellent relationships maintained with treatment/recovery organisations working within prisons. Almost 58% (21-22 - 53%) of residents were referred by local GPs and non-statutory organisations. The remaining 20% (21-22- 8%) were self-referrals, of which 71% (21-22 - 75%) were new clients. Our positive move-on outcomes – moving into our move-on properties or returning to own or family homes or becoming employed– at 51% were higher than the previous years' achievement. At any one time, 15% of our residents were undertaking volunteering or workplace experience.

The charity accepts relapse as part of the individual's struggle to overcome their addiction and whilst we do not provide accommodation to anyone who is currently taking street or other drugs or who is drinking alcohol, we welcome previously relapsed residents who are able to provide clean tests and demonstrate a willingness to re-engage with their recovery.

The charity continued to participate in and deliver talks to prison, health and community agencies not only to promote its activities, but also to educate the general public on addiction, its effects and the facilities and support available to address it. Funding has been obtained to enable these outreach activities to be delivered post 2023.

Financial Review

The charity's finances depend upon the number of residents for whom it provides accommodation and support.

In April 2023, the local council reached a decision that the charity had been overpaid rents in previous years and reduced the funding received in April and May 2023 accordingly, leading to the deficit incurred by the charity in the year. The charity has appealed the decision and the appeal is ongoing and undecided at the time of this report.

The Trustees have set a target for reserves to be equal to three months delivery costs. The nature of the funding currently available to the charity makes this a long term target. The retained unrestricted reserves at 31 May 2023 amounted to £56,806 or 1.4 months (2022 – 2.6 months) of unrestricted costs.

Future funding for the charity depends on government decisions on the level of payments for supported housing. They will depend on the political will to support those in need balanced against "economic" factors arising from the current global economy, in particular the inflationary effects of Brexit and the continuing war in Ukraine and unrest in the Middle East. Against this background, the Trustees consider the preparation of its financial statements on a going concern basis to be realistic at this time.

BEACON RECOVERY
TRUSTEES ANNUAL REPORT (continued)
for the year ended 31 May 2023

Plans for future periods

The Trustees are of the opinion that the level of the current provision of accommodation is sufficient to meet the needs of the community of interest it serves in the Bradford District. Any expansion of the charity's activities will be to enhance the experience of residents through support activities. Opportunities to expand the charity's activities into either complementary work in the local addiction recovery sector, which has been funded through to 2024, and expansion into other geographical areas are and will be regularly monitored.

Trustees

The following have been Trustees through the year:

Peter John Bloom
Andrew Trevor Walsh
Thomas Hughes
Joseph Canning

Melissa Worrall was Accommodation Manager throughout the year. She is the senior operational manager.

Structure, Governance and Management

Structure

The charity is a Charitable Incorporated Organisation (CIO), registered with the Charities Commissioners on 10 June 2014, number 1157431. Members are required to contribute up to £1 in the event of the winding up of the charity.

Governance & Management

The charity has in place a procedure and process for the induction and training of new trustees which includes detailed briefings on their legal obligations, Charity Commission advice and guidance, existing decision making processes, familiarisation with the current business plan, the financial position of the charity, meeting other trustees and visiting the charity's premises to meet key members of staff.

The board of Trustees administers the charity. It meets every two weeks using electronic means. The Accommodation Manager is appointed by the Trustees to manage the day-to-day activities of the charity. She has delegated authority, within terms of delegation approved by trustees, for operational matters including finance (subject to certain maximum values), employment and performance related activities.

The Constitution of the charity provides for the payment of expenses and remuneration to Trustees in specific circumstances. A charge has been made to the charity for the provision of professional accounting, payroll and financial services by a firm of Chartered Accountants in which Peter John Bloom is a partner. (See Note 4 in the charity's accounts).

Risk management

The Trustees have a risk management strategy which comprises the following:

- an annual review of the principal risks and uncertainties facing the charity
- an established system of policies, procedures and systems to mitigate the risks identified in the annual review
- procedure implementation to minimise or manage any potential impact on the charity should any risk materialise

The major risk for the charity is that its beneficiaries/residents are vulnerable adults. A full range of policies, systems and procedures are in place to minimise the risks pertaining to this group of people. The charity works closely with the Bradford Safeguarding Board in these matters and takes advantage of the training provided and guidance and recommendations produced by it and other local support organisations. All staff are fully trained to recognise and deal correctly with such risks before they are allowed to work with residents on a one-to-one basis.

The charity meets all statutory requirements as to health & safety, fire and employment law which is ensured by annual reviews and inspections by external agencies and regular training updates for staff.

The charity carries out a detailed annual risk assessment with its insurance brokers to ensure that the scope and cover of its insurances are sufficient to meet any insurable incident.

Trustees' responsibilities in relation to the financial statements

Trustees are responsible under charity law for preparing a trustees' annual report and financial statements. The charity produces financial statements using the accruals basis consistent with its size and the requirements of charity law.

Statement of disclosure to the independent examiner

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the independent examiner in connection with preparing his report, of which the charity's independent examiner is unaware, and
- the trustees, having made enquiries of fellow trustees and the charity's independent examiner that they ought to have individually taken, have each taken all steps that they are obliged to take as trustees in order to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

By order of the board of trustees

Peter J Bloom

Chair of Trustees

30th September 2023

**REPORT TO THE TRUSTEES OF BEACON RECOVERY (Reg No 1157431) ON THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2023 (set out on pages 7 to 14)**

I report to the trustees on my examination of the accounts of the above charity for the year ended 31 May 2023.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Barry Dawson
Chartered Accountant
15A St Peg Lane
Cleckheaton
BD19 3SA

30th September 2023

BEACON RECOVERY
STATEMENT OF FINANCIAL ACTIVITIES
(including summary Income and
Expenditure Account)
FOR THE YEAR ENDED 31 MAY 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from					
Donations and Investment Income			5,214	5,214	95
Government grant - CJRS	2	-	-	-	883
Charitable activities	2	447,059	41,436	488,495	454,453
TOTAL INCOME		<u>447,059</u>	<u>46,650</u>	<u>493,709</u>	<u>455,431</u>
Expenditure on					
Charitable activities	3	474,789	46,650	521,439	449,468
Support costs	3	1,800	-	1,800	1,800
TOTAL EXPENDITURE		<u>476,589</u>	<u>46,650</u>	<u>523,239</u>	<u>451,268</u>
Net income and net movement					
In funds		(29,530)	-	(29,530)	4,163
Total funds brought forward		<u>86,336</u>	<u>-</u>	<u>86,336</u>	<u>82,173</u>
Total funds carried forward		<u>56,806</u>	<u>-</u>	<u>56,806</u>	<u>86,336</u>

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

BEACON RECOVERY
BALANCE SHEET
31 MAY 2023

	Notes	2023 £	£	2022 £	£
Fixed Assets					
Tangible assets	8		8,501		10,337
Current assets					
Debtors	9	68,276		47,135	
Cash at bank and in hand		3,515		62,376	
		<u>71,791</u>		<u>109,511</u>	
Creditors: amounts falling due within one year	10	<u>23,486</u>		<u>33,512</u>	
Net current assets			48,305		75,999
Total Net assets			<u>56,806</u>		<u>86,336</u>
Funds of the charity					
Restricted income funds	13		0		0
Unrestricted funds	13		<u>56,806</u>		<u>86,336</u>
Total funds			<u>56,806</u>		<u>86,336</u>

These accounts are prepared in accordance with provisions of the Charities Act 2011 and Accounting and Reporting: 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 2015).

The notes on pages 9 to 14 form part of these accounts

Signed

PETER JOHN BLOOM
Chair of Trustees on behalf of the trustees

Approved by the trustees on 30th September 2023

BEACON RECOVERY
NOTES TO THE ACCOUNTS for the year ended 31 May 2023

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. Beacon Recovery constitutes a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

c) Preparation of the accounts on a going concern basis

The charity reported a cash inflow of £10,134 for the year. The trustees are of the view that the immediate future of Beacon Recovery is secure and on that basis the charity is a going concern.

The ongoing uncertainties applying in the supported housing sector – the reductions in funding available to local authorities, the possible introduction of personalised budgets and on-going demand for specialised supported housing – continue to be reviewed and quantified as accurately as is currently possible and action plans have been formulated to mitigate their effects and ensure the security of the charity.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance is deferred until the criteria for income recognition are met.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally on notification of the interest paid by the Bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are grants which the grantors have specified are to be solely used for particular areas of the charity's work or for specific activities undertaken by the charity.

BEACON RECOVERY

NOTES TO THE ACCOUNTS (cont'd) for the year ended 31 May 2022

g) Expenditure and unrecovered VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes all activities undertaken to further the purposes of the charity and their associated support costs. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Operating leases

The charity classifies the lease of printing and other equipment as operating leases; the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

i) Tangible fixed assets

Individual fixed assets are capitalised at cost and are depreciated on a straight line basis over their estimated useful economic lives on the following bases:

Equipment other than computers	over 10 years
Computers	over 3 years
Furnishings	over 2 years

j) Debtors

Trade and other debtors are recognised at the net settlement value. Prepayments are valued at the net prepaid amount.

k) Cash at bank and in hand

Cash at bank and in hand includes cash and current account balances.

l) Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their net settlement value.

m) Financial instruments

The charity has no financial instruments and no financial liabilities.

n) Transition to FRS 102

No restatement of items has been required in making the transition to FRS 102. The transition date was 1 June 2015.

o) Volunteers

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in the annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of all volunteers is not recognised in the accounts.

BEACON RECOVERY
NOTES TO THE ACCOUNTS (cont'd) for the year ended 31 May 2023
2. Income from charitable activities

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2023	2022
	£	£	£	£
Government grant - CJRS	-	-	-	883
Supported Housing provision income	447,059	46,650	493,709	454,453
Comparative analysis for 2022	435,837	18,596	454,453	

3. Total resources expended

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2023	2022
Direct costs				
Wages & Salaries	173,614	41,016	214,630	199,829
Employers NI	10,571	871	11,442	10,358
Pension costs	3,709	549	4,258	3,873
Staff Training & Travel	80		80	223
Property Rents	146,400		146,400	142,400
Rates	4,187		4,187	3,707
Light, heat and power	70,594		70,594	41,249
Water	16,097		16,097	15,308
Insurance	11,135		11,135	9,398
Equipment maintenance	2,705		2,705	2,275
Repairs and maintenance	22,210		22,210	7,060
Communication costs	1,468		1,468	1,496
Printing, postage and stationery	792		792	683
Payroll	480		480	480
Accountancy	1,200		1,200	1,200
Bank Charges	158		158	158
Volunteer costs	-		-	-
Cleaning	2,462		2,462	2,111
Travel and sustenance	257		257	795
Client support	-	2,655	2,655	338
Motor costs	1,995		1,995	1,381
Drug testing	-	1,559	1,559	1,300
Depreciation	4,675		4,675	3,706
	474,789	46,650	521,439	449,468
Comparative analysis for 2018	430,872	18,596	449,468	
Support costs – governance	1,800	0	1,800	1,800

BEACON RECOVERY**NOTES TO THE ACCOUNTS (cont'd) for the year ended 31 May 2023****4. Trustees remuneration**

Expenses paid to any trustee during the year were Nil (2022 – Nil). Professional fees for accounting and payroll services amounting to £1,680 (2022- £1680) were paid to Peter J Bloom, a firm of Chartered Accountants, in which Peter Bloom, a trustee, is a partner.

5. Net expenditure includes	2023	2022
• Depreciation of owned assets	4,675	3,706
Independent examiner's fees	1,800	1,800

6. Staff numbers and the cost of key management personnel and staff

	2023	2022
Wages and salaries	214,630	199,829
Social security costs	11,442	10,358
Pension costs	4,258	3,873
Total	230,330	214,060
The average number of persons employed during the year was:		
	2023	2022
Housing Workers	8	8
Administration	3	3
	11	11

No employee received remuneration in excess of £60,000 in either year

The key management personnel of the charity are deemed to be the Housing Manager and the Deputy Manager whose employee benefits totalled £87,472 (2022 £89,335)

7. Taxation

The company is a registered charity and is exempt from taxation.

8. Tangible fixed assets

	Motor vehicle	Fixtures and equipment	Total
	£	£	£
Cost			
As at 1 June 2022	4,500	26,136	30,636
Additions	-	2,839	2,839
As at 31 May 2023	4,500	28,975	33,475
Depreciation			
As at 1 June 2022	1,620	18,679	20,299
Charge for the year	810	3,865	4,675
As at 31 May 2023	2,430	22,544	24,974
Net Book Value			
As at 31 May 2023	2,070	6,431	8,501
As at 31 May 2022	2,880	7,457	10,337

BEACON RECOVERY**NOTES TO THE ACCOUNTS (cont'd) for the year ended 31 May 2023****9. Debtors**

	2023	2022
	£	£
Trade debtors	56,314	39,220
Prepayments and accrued income	11,962	7,915
	<u>68,276</u>	<u>47,135</u>

10. Creditors: amounts falling due within one year

	Note	2023	2022
		£	£
Loan	12	0	8,403
Trade creditors		15,285	13,944
Taxation and social security		2,464	546
Accruals and deferred income		5,739	10,619
		<u>23,486</u>	<u>33,512</u>

11. Members' liability

The charity is a charitable incorporated organisation and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of winding-up.

12. Related parties**Related party transactions**

Peter Bloom, a trustee, provided working capital during the earlier years of the charity's activities. At 31 May 2023, the outstanding balance due to him was £Nil (2022 - £8,403). During the year, £4,484 of the outstanding balance was converted into a donation to the charity

13. Analysis of funds

	At 1 Jun-22 £	Incoming resources £	Resources expended £	At 31 May-23 £
General funds				
Unrestricted income fund	<u>86,336</u>	<u>447,059</u>	<u>476,589</u>	<u>56,806</u>
Restricted funds				
Donations	0	5,214	5,214	0
Frances Goodwin Trust	0	33,200	33,200	0
	0			0
Local Care Direct Health Fund	0	8,236	8,236	0
	<u>0</u>	<u>46,650</u>	<u>46,650</u>	<u>0</u>
Total funds	<u>86,336</u>	<u>493,709</u>	<u>523,239</u>	<u>56,806</u>

BEACON RECOVERY**NOTES TO THE ACCOUNTS (cont'd) for the year ended 31 May 2023****14. Analysis of net assets between funds**

	Unrestricted Funds	Total 2023	Total 2022
	£	£	£
Tangible assets	8,501	8,501	10,337
Current assets	71,791	71,791	109,511
Creditors: amounts falling due within one year	<u>(23,486)</u>	<u>(23,486)</u>	<u>(33,512)</u>
Net assets	<u>56,806</u>	<u>56,806</u>	<u>86,336</u>