

**BEACON RECOVERY
FINANCIAL STATEMENTS
AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED
31 MAY 2024**

BEACON RECOVERY
TRUSTEES ANNUAL REPORT
for the year ended 31 May 2024

The trustees are pleased to be present their Annual Report together with the financial statements of the charity for the year ended 31 May 2024. 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. 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 2024, was over £35,000 (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 80 recovering addicts (2023 – 94) for 14,618 days (2023 – 16,675 days). The reduction was due to the charity withdrawing from its move-on premises provision.

Residents are principally from the Bradford District. Referral sources have evolved over the years of our operation: In 2023-24, 16% (22-23 – 22%) were referred from prisons having commenced their recovery during their sentences reflecting our excellent relationships maintained with treatment/recovery organisations working within prisons. Almost 59% (22-23 - 58%) of residents were referred by local GPs and non-statutory organisations. The remaining 25% (22-23- 20%) were self-referrals, of which 70% (22-23 - 71%) were new clients. Our positive move-on outcomes – returning to own or family homes or becoming employed– at 50% were slightly lower than the previous years’ achievement (51%). At any one time, 17% 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 2024.

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 to 31 May 2023. Following discussions, the council revised the amount it paid for the financial year to 31 March 2024 and agreed a payment rate for the year ended 31 March 2025, covering all forecast eligible costs of the charity.

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 2024 amounted to £62,300 or 1.9 months (2023 – 1.4 months) of unrestricted delivery 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 post-Brexit, 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 2024

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 and considered.

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

16th July 2024

**REPORT TO THE TRUSTEES OF BEACON RECOVERY (Reg No 1157431) ON THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2024 (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 2024.

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
53a Knowles Lane
Gomersal
Cleckheaton
WestYorkshire
BD19 4LE

16th July 2024

BEACON RECOVERY
STATEMENT OF FINANCIAL ACTIVITIES
(including summary Income and
Expenditure Account)
FOR THE YEAR ENDED 31 MAY 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Income from					
Donations and Investment Income			500	500	5,214
Charitable activities	2	<u>407,965</u>	<u>59,029</u>	<u>466,994</u>	<u>488,495</u>
TOTAL INCOME		<u>407,965</u>	<u>59,529</u>	<u>467,494</u>	<u>493,709</u>
Expenditure on					
Charitable activities	3	400,671	59,529	460,200	521,439
Support costs	3	<u>1,800</u>	<u>-</u>	<u>1,800</u>	<u>1,800</u>
TOTAL EXPENDITURE		<u>402,471</u>	<u>59,529</u>	<u>462,000</u>	<u>523,239</u>
Net income and net movement					
In funds		5,494	-	5,494	(29,530)
Total funds brought forward		<u>56,806</u>	<u>-</u>	<u>56,806</u>	<u>86,336</u>
Total funds carried forward		<u>62,300</u>	<u>-</u>	<u>62,300</u>	<u>56,806</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 2024

		2024		2023	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	8		6,080		8,501
Current assets					
Debtors	9	60,758		68,276	
Cash at bank and in hand		5,780		3,515	
		<u>66,538</u>		<u>71,791</u>	
Creditors: amounts falling due within one year	10	<u>10,318</u>		<u>23,486</u>	
Net current assets			56,220		48,305
Total Net assets			<u>62,300</u>		<u>56,806</u>
Funds of the charity					
Restricted income funds	13		0		0
Unrestricted funds	13		<u>62,300</u>		<u>56,806</u>
Total funds			<u>62,300</u>		<u>56,806</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 15th July 2024

BEACON RECOVERY
NOTES TO THE ACCOUNTS for the year ended 31 May 2024

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 £2,265 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 2024

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 2024****2. Income from charitable activities**

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£	£	£	£
Resident services charges	38,151	-	38,151	19,080
Supported Housing provision income	369,814	59,029	428,843	474,629
	<u>407,965</u>	<u>59,029</u>	<u>466,994</u>	<u>493,709</u>
Comparative analysis for 2022	<u>447,059</u>	<u>46,650</u>	<u>493,709</u>	

3. Total resources expended

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
Direct costs				
Wages & Salaries	174,327	51,624	225,951	214,630
Employers NI	9,976	2,913	12,889	11,442
Pension costs	3,578	1,045	4,623	4,258
Staff Training & Travel	-	-	-	80
Property Rents	48,266		48,266	146,400
Rates	4,662		4,662	4,187
Light, heat and power	92,806	742	93,548	70,594
Water	11,360		11,360	16,097
Insurance	16,808		16,808	11,135
Equipment maintenance	2,219		2,219	2,7055
Repairs and maintenance	26,545		26,545	22,210
Communication costs	1,773	84	1,857	1,468
Printing, postage and stationery	452		452	792
Payroll	480		480	480
Accountancy	1,200		1,200	1,200
Bank Charges	427		427	158
Cleaning	1,595		1,595	2,462
Travel and sustenance	10		10	257
Client support	-	446	446	2,655
Motor costs	-	1,176	1,176	1,995
Drug testing	-	1,499	1,499	1,559
Depreciation	4,187		4,187	4,675
	<u>400,671</u>	<u>59,529</u>	<u>460,200</u>	<u>521,439</u>
Comparative analysis for 2018	<u>474,789</u>	<u>46,650</u>	<u>521,439</u>	
Support costs – governance	<u>1,800</u>	<u>0</u>	<u>1,800</u>	<u>1,800</u>

BEACON RECOVERY**NOTES TO THE ACCOUNTS (cont'd) for the year ended 31 May 2024****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 (2023- £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	2024	2023
• Depreciation of owned assets	4,187	4,675
Independent examiner's fees	1,800	1,800

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

	2024	2023
Wages and salaries	225,951	214,630
Social security costs	12,889	11,442
Pension costs	4,623	4,258
Total	243,463	230,330

The average number of persons employed during the year was:

	2024	2023
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 £92, (2023 £87,472)

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 2023	4,500	28,975	33,475
Additions	-	1,766	1,766
As at 31 May 2024	4,500	30,741	35,241
Depreciation			
As at 1 June 2023	2,430	22,544	24,974
Charge for the year	810	3,377	4,187
As at 31 May 2024	3,240	25,921	29,161
Net Book Value			
As at 31 May 2024	1,260	4,820	6,080
As at 31 May 2023	2,070	6,431	8,501

BEACON RECOVERY**NOTES TO THE ACCOUNTS (cont'd) for the year ended 31 May 2024****9. Debtors**

	2024	2023
	£	£
Trade debtors	51,851	56,314
Prepayments and accrued income	8,907	11,962
	<u>60,758</u>	<u>68,276</u>

10. Creditors: amounts falling due within one year

Note	2024	2023
	£	£
Trade creditors	4,170	15,285
Taxation and social security	2,528	2,464
Accruals and deferred income	3,620	5,739
	<u>10,318</u>	<u>23,486</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**

There were no third party transactions during the year, except for those set out in Note 4 to these statements

13. Analysis of funds

	At 1 Jun-23 £	Incoming resources £	Resources expended £	At 31 May-24 £
General funds				
Unrestricted income fund	<u>56,806</u>	<u>407,965</u>	<u>402,471</u>	<u>62,300</u>
Restricted funds				
Donations	0	500	500	0
Frances Goodwin Trust	0	50,000	50,000	0
Local Care Direct Health Fund	0	7,039	7,039	0
West Yorkshire Combined Authority	0	1,990	1,990	0
	<u>0</u>	<u>59,529</u>	<u>59,529</u>	<u>0</u>
Total funds	<u>56,806</u>	<u>467,494</u>	<u>462,000</u>	<u>62,300</u>

14. Analysis of net assets between funds

	Unrestricted Funds	Total 2024	Total 2023
	£	£	£
Tangible assets	6,080	6,080	8,501
Current assets	66,538	66,538	71,791
Creditors: amounts falling due within one year	(10,318)	(10,318)	(23,486)
Net assets	<u>62,300</u>	<u>62,300</u>	<u>56,806</u>