

Charity registration number: 1159334

Narconon United Kingdom

Annual Report and Financial Statements
for the Year Ended 31 December 2021

Narconon United Kingdom

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Reference and Administrative Details

Trustees	Ms Heather Ann Rose Ms Muriel Claire Angius
Charity Registration Number	1159334
Principal Office	42/44 Copthorne Road Felbridge East Grinstead West Sussex PH19 2NS
Independent Examiner	Grant Sellers Bank Court Manor Road Verwood Dorset BH31 6DY

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Trustees' Report

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021.

The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Our charity's purposes are:

To reform and rehabilitate persons who are for the time being or who have at any time been drug addicts;

To assist in the reformation and rehabilitation of persons who have at any time been convicted (whether in the United Kingdom or elsewhere) of any crime;

To advance the education of the public and/or persons who are or have been dependent upon or affected by the use of drugs about all matters relating to drug abuse/addiction in particular by the provision of advice, information and support.

Ensuring our work delivers our aims:

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous year. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Our main objective is to rehabilitate substance misusers and train specialist staff in the delivery of the Narconon abstinence based programme.

At Narconon United Kingdom, we recognise that our very existence depends on our providing services and products which are of high quality and which closely meet the substance misuser's needs. This involves a commitment to provide a reliable service; to give a quick and authoritative response and to be able to gain first-hand experience about how our service is experienced by our clients by the use of a Routine Outcome Monitoring system during their programme, and up to two years following the programme completion.

Senior managers and all staff are able to clearly identify and articulate the value system of Narconon and then to effectively communicate this through personal attention, persistence and direct intervention. This emphasis on values is clearly illustrated in Narconon's goal, which is to deliver a unique rehabilitation programme, which not only gets a person off drugs or alcohol, but also gives them back control of their life.

Narconon is an evidence-based approach, developed over four decades.

After completing drug free withdrawal, where the client receives 24-hour assistance and supervision, and

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dependent on medical approval, they then do the detoxification programme. This includes sauna, exercise and nutrition to help reduce craving, cleanse the body and improve health. The remainder of the programme consists of five learning modules, each with a purpose, expected outcome, and typical duration but specifically geared to each individual's care plan. These steps foster motivation for change while managing attendant painful responses to change, teach the person coping skills, reinforce contingency awareness, and promote enduring positive

Staff training is based on person-centered care. Each student has a detailed care plan which is monitored against each module completion. This allows the student to see what progress they are making as they go through the programme. Some students have low literacy skills. In these situations they have been given a staff member to work with them on a one to one basis. In the course room course supervisors are skilled in the detection of barriers to study and how to help the student. Staff members were trained in different protected characteristics, which require different needs.

Over the year we continued to connect the Narconon programme with policy and practice to better the lives of students, their families and their wider community adversely impacted by substance use and addiction. Our vision through our continued aims and objectives is: lasting solutions that free individuals and communities from the devastation of substance use and addiction.

We are pleased to have a skilled multi-disciplinary team who have adapted well to a challenging year of change. They have successfully delivered the Narconon programme to a range of service users from different ethnic and culturally diverse groups including service users on mandatory orders as part of Drug Rehabilitation Requirements. Externally we have supported people with drug or alcohol issues and have delivered various types of treatment ranging from basic advice and information to structured interventions.

A number of people participated in the Narconon programme in the year. Here are some of the out-comes from those who graduated the programme:

(a) I was born in Aden, South Yemen and I was raised in India.

I had a wonderful life before I started doing drugs. I was a very successful entrepreneur from age 15 in India. Then I started here in the UK with a number of successful businesses and we ran a number of businesses in food and drink, including food exports.

Some of the happiest moments in my life I can remember before I started doing drugs were getting married and having children and living a good life.

I started using drugs because I got mixed with the wrong friends. It was 20 years ago. It was in 1999 that I started. I started because my house caught fire on a one-day firemen strike and I lost everything.

Due to using drugs I lost my entire family, my children, my wife, friends—I lost everyone, and I still don't have my children back. Everything got out of hand when I sold my business and retired. I had a busy life for 45 years and after retirement I got bored—I started drinking and using more and more. What led me to come to Narconon was that my wife left and she wasn't coming back until I sorted myself out and my brother brought me to Narconon.

I now have a new way of life—staying in the present all the time, before I didn't know how. Thanks to the staff in Withdrawal. They made it so simple for me. They were there for me 24 hours a day. It was really rough. It works if you want it to work. If you want to get your life back and live a happy life, Narconon is the only way. Basically, the whole programme is easy but difficult, but works. B.P

(b) "Your efforts are most likely the reason our son developed the will to change ..."

(c) I "I wake up every morning looking forward to my day ahead because I know I'm in total control of my life and because I rediscovered myself ..."

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(d) "...I was very skeptic at first but now I feel Narconon is the only way – it's working for me."

(e) I "After seeing the results of your work and speaking to members of the staff, I feel that you have much to teach the drug rehabilitation field"

(f) "I came to NARCONON a broken mess of a human being. ... Today I have no words to really explain the difference in my life. ... I am successful and happy and I have a future."

Financial review

The Trustees are reasonably satisfied with the Charity's financial position at the end of the year taking into account that they had to implement certain changes during the course of the year to improve the delivery potential of the Charity.

The Charity received a donation of £3,688 for the training of Narconon staff and also rehabilitation centre income of £155,872 for the running of the Charity. Expenditure totalled £182,096. This compares with income of £230,624 and expenditure of £228,841 in the prior year.

The Trustees believe the Charity is a going concern as it has a reasonable expectation that it will continue to meet all expenditures from grants and donations in the foreseeable future.

Policy on reserves

The Trustees are conscious of the need to aim to achieve adequate reserves and react to challenging economic times whilst ensuring that the maximum level of resources are applied to people who depend on the Charity to provide rehabilitation, education and assistance.

The Charity would normally expect to hold reserves derived from donations and grants and rehabilitation centre income. These would consist of restricted funds and unrestricted funds. However, the total of funds held at the 31st December was in a deficit of £23,946 (2020: Deficit of £1,410), which related to unrestricted funds.

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Principal funding sources

The activities of Narconon United Kingdom have been facilitated mainly by donations derived from the rehabilitation services provided, which is its principal funding source.

Investment policy and objectives

The charity has the power to invest in any way the Trustees wish. The Trustees, having regard to the liquidity requirements of the Charity's operations and to the reserves policy, will operate a policy of keeping available funds in interest bearing deposit accounts.

Structure, governance and management

Nature of governing document

The organization is a charitable unincorporated organization registered on 24 November 2014.

Recruitment and appointment of trustees

New trustees are appointed by existing trustees. New trustees undergo an orientation session to brief them on their legal obligations under charity law, the content of the memorandum and articles of association, the decision-making processes, the business plan and recent financial performance of the charity.

Organisational structure

The Trustees are responsible for the administration and running of the activities of the Charity.

The annual report was approved by the trustees of the charity on 24/11/22 and signed on its behalf by:



Ms Heather Ann Rose
Trustee

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Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 of the charity for that period. 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 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 business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 24/11/22 and signed on its behalf by:

Heather A Rose

Ms Heather Ann Rose
Trustee

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Independent Examiner's Report to the trustees of Narconon United Kingdom

I report to the trustees on my examination of the accounts of Narconon United Kingdom for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of Narconon United Kingdom you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

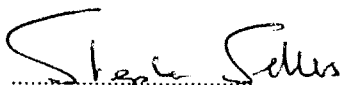
I report in respect of my examination of the Narconon United Kingdom's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of Narconon United Kingdom as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting 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.



Stephen Sellers

Institute of Chartered Accountants in England and Wales

Bank Court
Manor Road
Verwood
Dorset
BH31 6DY

Date: 25 November 2022

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Statement of Financial Activities for the Year Ended 31 December 2021

	Note	Unrestricted funds £	Total 2021 £
Income and Endowments from:			
Donations and legacies		3,688	3,688
Other trading activities		155,872	155,872
Total income		159,560	159,560
Expenditure on:			
Raising funds		(12,078)	(12,078)
Charitable activities		(165,623)	(165,623)
Other expenditure	7	(4,395)	(4,395)
Total expenditure		(182,096)	(182,096)
Net expenditure		(22,536)	(22,536)
Net movement in funds		(22,536)	(22,536)
Reconciliation of funds			
Total funds brought forward		(1,410)	(1,410)
Total funds carried forward	17	(23,946)	(23,946)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies		8,502	82,690	91,192
Other trading activities		139,416	-	139,416
Investment income	4	16	-	16
Total income		147,934	82,690	230,624
Expenditure on:				
Raising funds		(4,562)	(294)	(4,856)
Charitable activities		(129,399)	(79,584)	(208,983)
Other expenditure	7	(12,190)	(2,812)	(15,002)
Total expenditure		(146,151)	(82,690)	(228,841)
Net income		1,783	-	1,783
Net movement in funds		1,783	-	1,783
Reconciliation of funds				
Total funds brought forward		(3,193)	-	(3,193)
Total funds carried forward	17	(1,410)	-	(1,410)

All of the charity's activities derive from continuing operations during the above two periods.

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(Registration number: 1159334)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,658	2,170
Current assets			
Debtors	14	10,440	9,940
Cash at bank and in hand	15	<u>21,647</u>	<u>29,337</u>
		32,087	39,277
Creditors: Amounts falling due within one year	16	<u>(57,691)</u>	<u>(42,857)</u>
Net current liabilities		<u>(25,604)</u>	<u>(3,580)</u>
Net liabilities		<u>(23,946)</u>	<u>(1,410)</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>(23,946)</u>	<u>(1,410)</u>
Total funds	17	<u>(23,946)</u>	<u>(1,410)</u>

The financial statements on pages 8 to 17 were approved by the trustees, and authorised for issue on 24/11/22 and signed on their behalf by:



Ms Heather Ann Rose
Trustee

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Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Statement of compliance

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 issued in October 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Narconon United Kingdom meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The functional currency of the charity is GBP and is rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

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

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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Notes to the Financial Statements for the Year Ended 31 December 2021

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Plant and Machinery	25% on reducing balance

Trade debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Creditors with no stated interest rate and payable within one year are recorded at transaction price.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the statement of financial activities in the period in which they arise.

Fund structure

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

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

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

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Notes to the Financial Statements for the Year Ended 31 December 2021

Pensions and other post retirement obligations

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

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations	3,688	-	3,688
Total for 2021	<u>3,688</u>	<u>-</u>	<u>3,688</u>
Total for 2020	<u>8,502</u>	<u>82,690</u>	<u>91,192</u>

3 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Rehabilitation Centre income	155,872	155,872
Total for 2021	<u>155,872</u>	<u>155,872</u>
Total for 2020	<u>139,416</u>	<u>139,416</u>

4 Investment income

	Unrestricted funds General £	Total funds £
Total for 2021	<u>-</u>	<u>-</u>
Total for 2020	<u>16</u>	<u>16</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Marketing and publicity		11,987	-	11,987
Allocated support costs		91	-	91
Total for 2021		<u>12,078</u>	<u>-</u>	<u>12,078</u>
Total for 2020		<u>4,562</u>	<u>294</u>	<u>4,856</u>
				Total costs £

6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Drug and offender rehabilitation		109,089	-	109,089
Staff costs		38,006	-	38,006
Allocated support costs		14,628	-	14,628
Governance costs		3,900	-	3,900
Total for 2021		<u>165,623</u>	<u>-</u>	<u>165,623</u>
Total for 2020		<u>129,399</u>	<u>79,584</u>	<u>208,983</u>

7 Other expenditure

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Depreciation, amortisation and other similar costs		512	-	512
Allocated support costs		3,883	-	3,883
Total for 2021		<u>4,395</u>	<u>-</u>	<u>4,395</u>
Total for 2020		<u>12,190</u>	<u>2,812</u>	<u>15,002</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

8 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Other fees paid to examiners	3,900	3,900
Total for 2021	3,900	3,900
Total for 2020	3,036	3,036

9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	512	676

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	37,374	63,383
Social security costs	555	2,069
Pension costs	77	166
	38,006	65,618

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Average number of employees	7	12

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Notes to the Financial Statements for the Year Ended 31 December 2021

No employee received emoluments of more than £60,000 during the year

12 Taxation

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

13 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 January 2021	7,653	7,653
At 31 December 2021	7,653	7,653
Depreciation		
At 1 January 2021	5,483	5,483
Charge for the year	512	512
At 31 December 2021	5,995	5,995
Net book value		
At 31 December 2021	1,658	1,658
At 31 December 2020	2,170	2,170

14 Debtors

	2021 £	2020 £
Trade debtors	7,250	6,750
Prepayments	3,190	3,190
	10,440	9,940

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Notes to the Financial Statements for the Year Ended 31 December 2021

15 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	1,258	1,258
Cash at bank	20,389	28,079
	<u>21,647</u>	<u>29,337</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	42,460	24,075
Payments on account on long term contracts	5,421	2,421
Other taxation and social security	3,133	1,809
Other creditors	2,777	11,084
Accruals	3,900	3,468
	<u>57,691</u>	<u>42,857</u>

17 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
Unrestricted funds				
General	<u>(1,410)</u>	<u>159,560</u>	<u>(182,096)</u>	<u>(23,946)</u>
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted funds				
General	(3,193)	147,934	(146,151)	(1,410)
Restricted funds	<u>-</u>	<u>82,690</u>	<u>(82,690)</u>	<u>-</u>
Total funds	<u>(3,193)</u>	<u>230,624</u>	<u>(228,841)</u>	<u>(1,410)</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

18 Related Party Disclosures

Narconon United Kingdom and Narconon Trust share similar aims and from time to time provide mutual assistance to each other and therefore arguably qualify as related parties as defined by FRS102.

During the year the main property was rented from Narconon Trust rent-free.

19 Analysis of net funds

	At 1 January 2021 £	At 31 December 2021 £
Cash at bank and in hand	29,337	29,337
Net debt	29,337	29,337
	At 1 January 2020 £	At 31 December 2020 £
Cash at bank and in hand	3,900	3,900
Net debt	3,900	3,900

20 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 December 2021 £
Tangible fixed assets	1,658	1,658
Current assets	32,087	32,087
Current liabilities	<u>(57,691)</u>	<u>(57,691)</u>
Total net assets	<u><u>(23,946)</u></u>	<u><u>(23,946)</u></u>

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2020 £
Tangible fixed assets	2,170	-	2,170
Current assets	31,014	8,263	39,277
Current liabilities	<u>(34,594)</u>	<u>(8,263)</u>	<u>(42,857)</u>
Total net assets	<u>(1,410)</u>	-	<u>(1,410)</u>