

STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE

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For the Year Ended 30 June 2019

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STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE

COMPANY INFORMATION
For the Year Ended 30 June 2019

DIRECTORS:	H Corner Rev. Neil Houlton J Hutton M Venter D Phillips – appointed 22 February 2019
SECRETARY:	Lord T Howson-Green
CHIEF EXECUTIVE:	T Corner
REGISTERED OFFICE:	108 Cobham Road Ferndown Dorset BH21 7PQ
REGISTERED NUMBER:	05841338 (England and Wales)
CHARITY NO:	1118773
SENIOR STATUTORY AUDITOR:	Peter Graham Stone
AUDITORS:	Stone Osmond Limited Accountants and Registered Auditors 75 Bournemouth Road Chandlers Ford Eastleigh Hampshire SO53 3AP
SOLICITORS:	Laceys 3 Poole Road Bournemouth BH2 5QL
PRINCIPAL BANKERS:	HSBC 165-176 High Street Poole BH15 1AV CAF 25 Kinghill Avenue Kings Hill West Malling ME19 4JQ

STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
For the Year Ended 30 June 2019

The directors present their report with the financial statements of the company for the year ended 30 June 2019.

GOVERNANCE

StreetScene Addiction Recovery is a charitable company governed by Memorandum and Articles of Association incorporated on 8 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 educations particularly, amongst young people, about all matter relating to drug abuse.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The principal activity of the company in the period under review was to relieve and rehabilitate those who are suffering or have suffered from past or present drug addiction or other forms of addiction, together with the advancement of public education, particularly amongst young people, about all matters relating to drug abuse. The directors confirm that they have complied with the duty in Section 4 of the 2011 Charities Act having due regard to the guidance published by the Charity Commission, including public benefit guidance.

The company carried out its activities at the following addresses:

Allington House, 46 Dean Park Road, Bournemouth, Dorset, BH1 1QA – primary and secondary care unit.

Cornerways, 20 Braidley Road, Bournemouth, Dorset, BH2 6JX – primary and secondary care unit.

Francis House, 2 Hulse Road, Southampton, Hants, SO15 2WG – primary and secondary care unit.

Unity House, 77-79 West Hill Road, West Cliff, Bournemouth, BH2 5PQ – supported accommodation

108 Cobham Road, Ferndown, Dorset, BH21 7PQ – Administration offices

51 Churchfield Road, Poole, Dorset, BH15 2QL – Development office

DIRECTORS AND TRUSTEES

The directors of the charitable company are its trustees for the purposes of Charity Law and throughout this report are collectively referred to as the directors.

The directors who have held office during the year of review and to the date of this report were:

H Corner
Rev. Neil Houlton
J Hutton
M Venter
D Phillips – appointed 4 February 2019

The company provides Directors Indemnity Insurance, this is provided free of charge under the current policy.

STREETSCENE ADDICTION RECOVERY
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REPORT OF THE DIRECTORS
For the Year Ended 30 June 2019

Any member of the above body of directors is able to nominate further directors to the board. If the person is willing to be considered, after various checks have been undertaken, including CRB checks, the board can vote a new member onto the board by means of a majority vote.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with the Companies Act 2006 relating to Small Companies, with the Financial Reporting Standard for Smaller Entities and the Charities Act 2011. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- observe the method and principles in The Charities Statement of Recommended Practice SORP 2015 (FRS102).
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011, the Charity (Accounts and Reports) Regulations. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DIRECTORS' REVIEW

STRUCTURE

The company has a structure based on five tiers.

Tier 1: The Board of Directors, 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 directors 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 Directors 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 – Developments, fundraising, client advocacy, political and strategic developments.
- COM – The upkeep and occupancy of units, relations with purchasers, expanding client base.
- CFO – Finance and legal matters.
- CHR – Ensuring adherence to legislation, policy and procedure within the units regarding HR.
- COT – Ensuring the treatment provided to clients is both consistent and of the highest standard.

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REPORT OF THE DIRECTORS
For the Year Ended 30 June 2019

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 Resettlement unit, based at Unity.

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

Tier 2 and 3 representatives comprise the Steering Committee, which, depending on input required works on immediate issues such as amending policies and procedures, training events, staff recruitment, refurbishment needs.

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 weekly meetings held in each unit, line management meetings, supervision and regular training events.

Assets

All the fixed assets have all been utilised for the work of the charitable 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.

Overall picture of operations for July 2018 to June 2019

Over the past 12 months the number of clients coming into treatment has dropped by 18 from 275 to 257, however these clients have increased our overall occupancy rate by 4.64%, meaning that clients are staying longer in treatment. The number of private clients entering treatment has risen this year from 74 to 77, and it is in this area that the longer stay has been most evident. The overall picture however is a continuing reduction in statutory funders providing referrals.

The biggest drain on income has been Universal Credit, with first payments not being made for at least 6 weeks. This has resulted in us failing to receive the client contribution element for any clients remaining with us for only a short period of time. As this problem has increased, we have had to go back to funders and charge gross fees until the universal credit payments arrive, however it has caused an unnecessary reduction in our expected income in the region of £25,000. This problem will be solved by implementing the gross charge across all purchasers until Universal Credit is received.

We have provided as much free and subsidised help as possible, 204 days of free residential treatment to 6 unfunded clients, subsidised fees to a further 4 clients and uncounted day care and supported accommodation.

We continue to work in the LGBTQ++clients, especially working with Chemsex clients and had positive outcomes. Notably many of the Chemsex clients enter treatment with good life skills unlike those who have been using substances for years.

STREETSCENE ADDICTION RECOVERY
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REPORT OF THE DIRECTORS
For the Year Ended 30 June 2019

Working with 28 day clients, completion rates have been positive with some clients asking for extra treatment. There is a noticeable difference in motivation levels in comparison to state funded clients and we are working with this.

We have had more assisted withdrawal clients and this has helped increase business and helped those clients who cannot afford to go to a detoxification centre.

We were disappointed with our CQC rating of 'Good', although we have an 'Outstanding' for care. We are working closely with CQC to improve our rating to 'Outstanding' generally. This requires major changes in the paperwork system rather than changes in practice to better demonstrate what we provide. This has resulted in a temporary stoppage to putting the care plans online as they are re-worked.

Other systems have been changed. We have been researching online rotas, HR systems and a payroll program as a single package and a new time and attendance system. Although we have agreed on the system the time to front load data has delayed implementation.

We held a dignity tea party in May which was a success and attended by the Mayor. We were selected this year as one of the Majors Chosen Charities, recognising the work we do with vulnerable people.

This year we have had inter-agency events, including the Unity Cup challenge and the Beach Volley Ball competition.

Plans for June 2018 to July 2019 and their outcomes

- Restart our Reunions celebrating recovery this autumn. This year we held our first reunion after a few years break. It was very successful and we intend to do the same this September.
- Continue to implement Chiefs of staff new roles (RACI defined). Chiefs of staff have been adhering to their boundaries better than previously, and this is continuing to improve.
- Implement new system for HR. The new system is now in place and once the background data has been entered the system can go live.
- Implement new system for payroll. See above.
- Implement new system for Time and Attendance. See above.
- Implement new online assessment and care plan package. This has been halted at present as the care system is reviewed in relation to CQC changes.
- Ensure GDPR is updated to cover the above changes. GDPR is current, including our website.
- Increase pay to cover pension contribution increase. New pension deductions were implemented with pay increases to cover them.
- Continue to hold Digni-Tea days. Digni-tea day was held once again and was a great success.
- Begin to make inroads to providing our services to the corporate sector. We have developed a new website and updated our brochure. We are developing a strategy to approach corporate bodies.
- Reassess budgets once Brexit deal has been finalised and we have an idea of where the opportunities and threats may come from. Ongoing

STREETSCENE ADDICTION RECOVERY
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REPORT OF THE DIRECTORS
For the Year Ended 30 June 2019

Plans for 2019 to 2020

- We still await the outcome of Brexit, and the repercussions that follow on from it.
- Roll out HR system.
- Roll out time and attendance.
- Implement changes to improve our CQC rating.
- Improve our Quads (online documentation) be reorganising and updating.
- Approach corporate sector.
- Build new bridges with our current purchasers to ensure consistency of pricing.
- Continue with Digni-Tea events.
- Continue with reunions.

Finances

Income for the year, fees and donations was £2,295,449 reflecting an increase of £63,484 from the income of 2018 of £2,231,965.

Expenditure was £2,376,961 reflecting an increase of £139,768 from the expenditure of 2018 of £2,237,193.

Included in the above figures is the Valuation of Donations in Kind (for assisted treatment) of £21,857 (2018 £23,464).

Total Reserves amount to £1,031,534 including fixed assets of £1,956,791.

The fixed assets include Land and Buildings of £1,895,770.

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REPORT OF THE DIRECTORS
For the Year Ended 30 June 2019

Policies on Reserves and investments

This year our reserves have been used on occasion to assist short term cash shortfalls. We would like to retain one month's 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.

Reserves Policy

StreetScene's policy is to establish a reserve fund as defined by the 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)
2. 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)
3. 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 directors have agreed it would be prudent that a policy that aims to achieve a level of reserves equivalent to one month's unrestricted expenditure is an ideal target.

Risk Register and Management

Our risk register this year is based on the NCVO template.

Likelihood of risk occurring

- 1 Rare: not likely to happen or will only happen in exception circumstances.
- 2 Unlikely: not expected to happen, but there is a remote possibility that it will occur.
- 3 Possible: may occur on some occasions, but not frequently
- 4 Likely: is likely to occur or will happen on more occasions than not.
- 5 Certain: likely to occur in the majority of cases.

Level of impact	Possible consequents if risk occurs*
1 Insignificant	No impact on service No impact on reputation Complaint unlikely Litigation risk remote

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REPORT OF THE DIRECTORS
For the Year Ended 30 June 2019

2	Minor	Slight impact on service Slight impact on reputation Complaint possible Litigation possible
3	Moderate	Some service disruption Potential for adverse publicity – avoidable with careful handling Complaint probable Litigation probable
4	Significant	Service disrupted Adverse publicity not avoidable (local media) Complaint probable Litigation probable
5	Major	Service interrupted for significant time Major adverse publicity not avoidable (national media) Major litigation expected Resignation of senior management and board Widespread loss of beneficiary confidence

The calculation for the total risk score is likelihood score multiplied by double the impact score.

Resultant scores indicate the following:

Initial risk score	Level	Action level
1-8	Low risk	Accept risk. To be managed at the activity level
9-16	Medium risk	Management action required to reduce risk level to low
17-25	High risk	Significant risk. Board action/awareness required.

Risks are calculated both before and after our current level of controls.

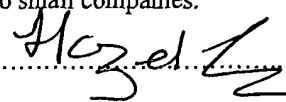
In summary

These are challenging times for everyone. We need to remain vigilant to ensure we can continue to help and support people in need, however there are opportunities out there and we need to actively pursue them. We need to continually strive to do the best we possibly can for our clients, to help them move on from their addiction to become valuable members of society, contributing to the community.

AUDITORS

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed  (Mrs Hazel Corner)

Dated 16-3-2020

Signed (Mr Neil Houlton)

Dated

Signed (Mr John Hutton)

Dated

Signed  (Mrs Matilda Venter)

Dated

Signed  (Mr D Phillips)

Dated 16-3-2020

STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES
For the Year ended 30 June 2019

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u>	<u>2018</u> <u>Total</u> <u>Funds</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
INCOME AND EXPENDITURE					
Incoming Resources					
Fees		2,267,282	-	2,267,282	2,205,310
Donations and grants	10	5,028	1,282	6,310	3,191
Donations in Kind	11	21,857	-	21,857	23,464
TOTAL INCOMING RESOURCES		<u>2,294,167</u>	<u>1,282</u>	<u>2,295,449</u>	<u>2,231,965</u>
Resources Expended					
Direct Charitable Expenditure	12	2,353,672	1,432	2,355,104	2,213,729
Donations in Kind	11	21,857	-	21,857	23,464
Fundraising and publicity		-	-	-	-
TOTAL RESOURCES EXPENDED		<u>2,375,529</u>	<u>1,432</u>	<u>2,376,961</u>	<u>2,237,193</u>
Net Incoming/(Outgoing) Resources Before Transfers		(81,362)	(150)	(81,512)	(5,228)
Transfers between funds		-	-	-	-
Net Incoming/(Outgoing) Resources For The Year		(81,362)	(150)	(81,512)	(5,228)
Gains/(Losses) on Investments		-	-	-	-
BALANCES BROUGHT FORWARD AS AT 1 JULY 2018		<u>1,112,493</u>	<u>600</u>	<u>1,113,093</u>	<u>1,118,321</u>
		1,031,131	450	1,031,581	1,113,093
TRANSFER FROM STREETSCENE CHARITABLE TRUST		<u>(47)</u>	<u>-</u>	<u>(47)</u>	<u>-</u>
BALANCES CARRIED FORWARD AS AT 30 JUNE 2019		<u>1,031,084</u>	<u>450</u>	<u>1,031,534</u>	<u>1,113,093</u>

The notes form part of these financial statements

STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE

INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 30 June 2019

	<u>Notes</u>	<u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>
TURNOVER		2,273,592	2,208,501
Administrative expenses		<u>2,314,772</u>	<u>2,174,716</u>
OPERATING (DEFICIT) SURPLUS	3	(41,180)	33,785
Interest receivable and similar income		<u>-</u>	<u>-</u>
		(41,180)	33,785
Interest payable and similar charges		<u>40,332</u>	<u>39,013</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		(81,512)	(5,228)
Tax on surplus on ordinary activities	4	<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT)/FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(81,512)</u>	<u>(5,228)</u>

The notes form part of these financial statements

STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE

BALANCE SHEET
30 June 2019

	Notes	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	5		1,956,791		2,000,321
CURRENT ASSETS					
Stock		13,000		13,000	
Debtors	6	304,804		296,581	
Bank balances and funds in hand		<u>51,179</u>		<u>87,380</u>	
		368,983		396,961	
CREDITORS					
Amounts falling due within one year	7	<u>282,613</u>		<u>198,299</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>86,370</u>		<u>198,662</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,043,161		2,198,983
CREDITORS					
Amounts falling due after more than one year	8		<u>1,011,627</u>		<u>1,085,890</u>
NET ASSETS			<u>1,031,534</u>		<u>1,113,093</u>
RESERVES					
Unrestricted reserves	9		1,031,084		1,112,493
Restricted reserves	17		<u>450</u>		<u>600</u>
			<u>1,031,534</u>		<u>1,113,093</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to Small Companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

ON BEHALF OF THE BOARD

16-3-2020

 Director – Mr John Hutton

Hazel Corner

 Director – Mrs Hazel Corner

Approved by the Board on

The notes form part of these financial statements

STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

1. STATUTORY INFORMATION

Streetscene Addiction Recovery is a private company, limited by Guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Turnover

Turnover represents provision of services, donations and grants.

INCOMING RESOURCES

Grants, donations and donations in kind

Income from grants, donations and donations in kind are included in the Statement of Financial Activities when these are received.

Fees, contributions and other income

Fees, contributions and other income are included in the Statement of Financial Activities on an accruals basis.

RESOURCES EXPENDED

Resources expended are included in the Statement of Financial Activities on an accruals basis, and allocated to each House and Administration (note 10 and 11).

Tangible fixed assets

Capitalisation Policy – Capital items relating to the administration/office furniture of the company are capitalised, capital items for the benefit of clients are not capitalised as they are subject to heavy usage and have a short life.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% straight line
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on reducing balance

Pension

The company has a defined contribution scheme available to all employees.

These notes form part of the financial statements

STREETSCENE ADDICTION RECOVERY
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

3. OPERATING (DEFICIT)/SURPLUS

The operating deficit is stated after charging:

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Depreciation – owned assets	66,381	68,259
Audit	<u>3,000</u>	<u>3,000</u>
Directors emoluments and other benefits etc. (see note 13)	<u>-</u>	<u>-</u>

4. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2019 or for the year to 30 June 2018 due to its charitable status.

5. TANGIBLE FIXED ASSETS

	<u>Freehold Land and Buildings</u>	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Computer Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST OR VALUATION:					
At 1 July 2018	2,539,976	105,354	20,600	33,285	2,699,215
Additions	-	8,700	-	14,151	22,851
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2019	<u>2,539,976</u>	<u>114,054</u>	<u>20,600</u>	<u>47,436</u>	<u>2,722,066</u>
DEPRECIATION:					
At 1 July 2018	593,407	67,003	15,366	23,118	698,894
Charge for year	50,799	9,409	1,309	4,864	66,381
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2019	<u>664,206</u>	<u>76,412</u>	<u>16,675</u>	<u>27,982</u>	<u>765,275</u>
NET BOOK VALUE:					
At 30 June 2019	<u>1,895,770</u>	<u>37,642</u>	<u>3,925</u>	<u>19,454</u>	<u>1,956,791</u>
At 30 June 2018	<u>1,946,569</u>	<u>38,351</u>	<u>5,234</u>	<u>10,167</u>	<u>2,000,321</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 valuation less depreciation to date of transfer.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Fees receivable	274,662	265,531
Other debtors	<u>30,142</u>	<u>31,050</u>
	<u>304,804</u>	<u>296,581</u>

These notes form part of the financial statements

STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Social Security and other taxes	23,222	23,149
Payments in advance	71,876	17,739
Other and accruals	74,478	46,074
Loan - re properties	<u>113,037</u>	<u>111,337</u>
	<u>282,613</u>	<u>198,299</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Loan repayable by instalments:		
Loan - re properties – one to two years	113,037	111,337
Loan - re properties – two to five years	339,111	334,011
Loan - re properties – over five years	<u>559,479</u>	<u>640,542</u>
	<u>1,011,627</u>	<u>1,085,890</u>

The loan is secured by a legal charge over the freehold 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.

9. RESERVES

	<u>Income and Expenditure Account 2019 £</u>	<u>Income and Expenditure Account 2018 £</u>
At 1 July 2018	1,113,093	1,118,321
Retained surplus/deficit for year	(81,512)	(5,228)
Transfer Streetscene Charitable Trust	<u>(47)</u>	<u>-</u>
	<u>1,031,534</u>	<u>1,113,093</u>

These notes form part of the financial statements

STREETSCENE ADDICTION RECOVERY
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

Analysis of Total Net Asset by Fund

	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>£</u>
Fixed assets	1,956,791	-	1,956,791
Cash at bank and in hand	50,729	450	51,179
Other net current assets/liabilities	35,191	-	35,191
Other long term liabilities	<u>(1,011,627)</u>	<u>-</u>	<u>(1,011,627)</u>
	<u>1,031,084</u>	<u>450</u>	<u>1,031,534</u>

10. DONATIONS AND GRANTS

Donations and grants of £6,310 have been received from other sources who wish to remain anonymous.

11. DONATIONS IN KIND

The company 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 company provided the equivalent of 204 (2018 - 216) days of such assistance at a valuation of £21,857 (2018-£23,464).

12. DIRECT CHARITABLE EXPENDITURE

	<u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>
Allington House	424,893	419,122
Francis House	415,747	386,955
Cornerways	453,650	417,255
Resettlement	527,681	506,236
Depreciation	66,381	68,259
Administration salaries	333,144	296,728
Loan interest	40,332	39,013
Rent of administration office	16,000	16,000
General office	65,166	52,623
Cost of Finance	5,510	5,138
Governance	<u>6,600</u>	<u>6,400</u>
	<u>2,355,104</u>	<u>2,213,729</u>

All direct charitable costs are allocated to the relevant areas and the support costs are allocated on the basis of bed numbers at each location.

These notes form part of the financial statements

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13. EMPLOYEES

The company employs a full time equivalent of 62 (2018 - 61) employees. The number of employees was categorised as to 47 (2018 - 48) direct charitable for clients and 15 (2018 - 13) to administration. The total cost of all employees is £1,406,780 (2018 - £1,305,776) which is allocated to each individual House and Administration. There are no employees earning at a rate of over £60,000. The company has a defined benefits contribution scheme, the company contributed £42,177 during the year (2018 £38,363).

14. DIRECTORS BENEFIT/REMUNERATION

The company provides Directors indemnity insurance, this is provided free of charge under the current policy (2018- £nil). The company also reimbursed expenses and travel costs of £nil (2018 - £nil), the number of directors is five. The Memorandum and Articles preclude the payment of any remuneration.

15. AUDITOR LIABILITY LIMITATION AGREEMENT

The liability of the auditor is limited to ten times the fee, per agreement dated 26 July 2012.

16. RELATED PARTY TRANSACTIONS

The company is related to StreetScene Charitable Trust due to its mutual Directors. Details of transactions are shown in the Reserves note. The Chief Executive (T Corner) is related to a Trustee (H Corner). The Trustee has no involvement in fixing remuneration for the Chief Executive. A director made a loan to the company during the year, the balance at the year end was £27,000. The loan is interest free and repayable on demand.

17. RESTRICTED FUNDS

	<u>Motor</u>	<u>Other</u>
Balance brought forward	600	-
Donation	-	1,282
Less Expenditure	-	1,282
Less Depreciation	150	-
	<hr/>	<hr/>
Balance carried forward	450	-

STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE
For the Year Ended 30 June 2019

Independent Auditors' Report to the directors of StreetScene Addiction Recovery

Opinion

We have audited the financial statements of StreetScene Addiction Recovery for the year ended 30 June 2019 which comprise the statement of financial affairs and the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 June 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

STREETSCENE ADDICTION RECOVERY
COMPANY LIMITED BY GUARANTEE
For the Year Ended 30 June 2019

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Director's Annual Report (including the Strategic Report).

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- we have not obtained all the information and explanations necessary for the purposes of our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of the directors

As explained more fully in the directors responsibilities statement (set on page 3), the directors 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 they 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 directors 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 directors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

The directors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

STREETSCENE ADDICTION RECOVERY
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For the Year Ended 30 June 2019

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at (www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's directors, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's directors 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 Charity's directors as a body, for our audit work, for this report, or for the opinions we have formed.

P G Stone (Senior Statutory Auditor)
For and on behalf of Stone Osmond Ltd
Statutory Auditor
75 Bournemouth Road
Chandlers Ford
Eastleigh
Hants
SO53 3AP



Date 19-3-2020