

**LEY COMMUNITY DRUG SERVICES
REPORT AND FINANCIAL STATEMENTS**

For the six month period ended

31 March 2023

Company Registration Number: 3736193 (England & Wales)
Charity Registration 1074874

Ley Community Drug Services

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LEY COMMUNITY DRUG SERVICES LEGAL AND ADMINISTRATIVE DETAILS

LEGAL STATUS

The Ley Community Drug Services ("the Charity") is a company limited by guarantee and a registered charity. On the 23rd September 2022, Ley Community Drug Services was acquired by Phoenix House Limited (trading as Phoenix Futures).

COMPANY NUMBER

3736193

CHARITY NUMBER

1074874

BOARD MEMBERS

Dr S H Street
Dr S Graham-Jones
D Jones
S Mandelbrote
A Poole
I Watson (Appointed 23rd September 2022)
D Mackie (Appointed 23rd September 2022)

REGISTERED OFFICE AND OPERATIONAL ADDRESS

The Ley Community
Mandelbrote House
26 Sandy Lane
Yarnton
Oxford
OX5 1PB

SENIOR MANAGEMENT

On the 23rd September 2023, Phoenix House, trading as Phoenix Futures assumed the management of the Charity following a merger.

D Worthington ((previously acted as CEO on a consultancy basis which ended December 2022))

BANKERS

Barclays Bank plc
PO Box 858
Wytham Court
11 West Way Botley
OX2 0XP

AUDITOR

CLA Evelyn Partners Limited
45 Gresham Street
London
EC2V 7BG

LEY COMMUNITY DRUG SERVICES

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE PERIOD ENDED 31ST MARCH 2023

The Ley Community Drug Service Board ("The Board") presents its annual report and financial statements for Ley Community Drug Service ("the Charity") for the six months to 31st March 2023.

MISSION AND PURPOSE

The charity's objects are as set out in the Memorandum of Association are 'the relief of sickness and destructive behaviour of persons caused by the use of drugs, alcohol and other substance abuse or by disorder of personality'.

The Mission Statement for the Ley Community Drug Services states: 'The Ley Community is an inclusive, peer-led therapeutic community that uses evidence-based practice to challenge harmful behaviours and equips the people it helps with the learning, self-belief and resilience needed to transform their lives'. The Charity's governing document is its articles of association.

Acquisitions

On the 23rd September 2022, Ley Community Drug Service agreed with Phoenix House, trading as Phoenix Futures, a company with similar charitable objects, to join together to develop a new residential treatment on the grounds of The Ley Community in Oxford.

It was agreed to make Ley Community Drug Service a subsidiary company of Phoenix Futures with Ley Community Drug Service Board ("Board") reporting into the Phoenix House Limited Board ("Group Board").

The development of the land and building is expected to conclude in the summer of 2023, with the service opening its doors to vulnerable women in the Autumn. The service will build on the two organisations' common history of delivering the Therapeutic Community model. Phoenix and The Ley Community are pioneers in residential treatment in the UK and we are colleagues in the European Federation of Therapeutic Communities.

PUBLIC BENEFIT

The Board has reviewed the Charity's aims, in the context of requirements set by the Charities Commission, with a view to ensuring that the Charity continues to serve public benefit.

Beneficiaries from the Ley Community charities work

The service being currently developed is a trauma informed Therapeutic Community for women with a history of drug and alcohol use. It will support 22 women in single ensuite bedrooms and 1 self-contained 4 bedroom flat.

Many of the women the service will support will have experienced trauma, physical and emotional abuse, adverse childhood experiences, anxiety and depression.

We have developed the service through a co-production process with women within the Phoenix Group and externally to the organisation. The co-production process has informed both key elements of the design of the service including the facilities available and the internal decorations as well as the programme delivery.

The programme will be delivered as a modified therapeutic community to support the gender specific nature of the service and will include CBT, gender specific approaches, family and childcare interventions and aftercare services. All interventions will be delivered in trauma responsive way.

LEY COMMUNITY DRUG SERVICES

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE PERIOD ENDED 31ST MARCH 2023

Beneficiaries from the Ley Community charities work (continued)

The new service will be a national resource and unique in its delivery meeting a gap in current drug treatment interventions in England.

Women completing the programme will be supported to develop a sustainable recovery through effective family relationships and developing routes into education employment and training.

We are committed to increasing training opportunities at all levels of the organisation across a broader range of inclusive practice and developing a mechanism to localise our DEI agenda through support training and monitoring.

We root our approach to equity in human rights – we call it ‘equity of access’ but it’s also about care that works when accessed – this builds on the origins of the charity as a radical alternative to mainstream healthcare that create new approaches for marginalised people.

Our strategic approach builds on the work of the previous EDI Action plan and will be overseen by the Board of Trustees.

BUSINESS AND FINANCIAL REVIEW

As no service was being delivered during the period, the Charity received no income from operating activities in the six months to 31st March 2023 however incurred costs associated with the building and development plans resulting in a deficit of £97k (2022: £144k).

As all activities remained focused on redevelopment, only those resources and costs needed to fulfil this need were employed during the period.

Structure, Governance and Management

As a subsidiary of Phoenix, the Ley Community Drug Service have adopted Phoenix Futures governance policies, processes and corporate strategy. The Ley Board typically meets quarterly to review financial, operational, and quality performance, it is supported by the six sub-committees within Phoenix Group, each with their own area of:

- Scotland Board
- Audit and Control Committee
- Clinical Governance Committee
- People and Remuneration Committee
- Strategic Risk Committee
- Investment Committee

The Board reports to the Phoenix Group Board.

The Board plays an active part in the planning and development of strategy from its initial inception through to formally signing off the final document.

The Board delegates the outworking of the strategy to the Executive Team who ensures departmental, speciality and service strategies/plans underpin the strategy objectives, which in turn inform individual targets, so we are all working together to achieve the overall strategy outcomes.

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TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE PERIOD ENDED 31ST MARCH 2023

Key management performance review

All members of the Executive Team go through a rigorous recruitment process which is undertaken by a specialist recruitment agency with the final interview panel having membership from the Group Board. The process tests not only the competencies of potential Directors, but also their values.

All members of the Executive Team hold as a minimum a master's degree (in business or voluntary sector management) or a professional qualification in their speciality (e.g. FCA or MCIPD).

The Executive Team is subject to the same appraisal and supervision processes as all staff. An annual workplan for the Executive Team is put before the Group Board and progress is monitored at every Group Board meeting. In addition to the Workplan the Directors are also set individual targets, these are agreed by and monitored by the People and Remuneration Committee.

Principal risks and uncertainties

The Board and the Executive Team, regularly review the risks to the organisation presented by the changing economic and political environment and are satisfied that systems are in place to mitigate exposure to the major risks.

The redevelopment programme is reviewed at each meeting, noting progress made and any new risks with an assessment of whether these are high, medium or low and mitigating actions being taken. The Board have approved the budget for the development works and for operational activity for the financial period 2023/24, this will be monitored and reported at each Board meeting.

In addition to the development and opening of a new service, other environmental and economic risks have been identified as being:

- Rising costs due to inflation impacting our residential development programme
- War in Ukraine impacting costs and availability of materials and resources
- Cost of living crisis impacting staff and people who use our services
- Availability of staff to fill vacancies.

The Charity's actions to mitigate such risks include:

- Creating a response to the cost-of-living crisis that supports staff and people who use our services
- Extending our approved suppliers to maximise competitive pricing and minimum disruption to the supply chain
- Develop a Workforce Development strategy to attract and retain talent
- Reviewing internal processes to drive efficiency

Business relationship statement

The Charity nurtures business relationships with key stakeholders, such as customers, suppliers and others and considers the strategic value to the Charity and its stakeholders when making decisions.

LEY COMMUNITY DRUG SERVICES

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE PERIOD ENDED 31ST MARCH 2023

Disabled Persons

The Charity's commitment to equality of opportunity between disabled people and other people falls within a set of over-arching equality and diversity values and lies at the centre of all its activities.

Financial risk management

The Charity's operations expose it to a variety of financial risks that include the effects of changes in cashflow and price risk. The Charity has in place a risk management programme that seeks to limit the adverse effects on its financial performance by monitoring levels of debt and applying its procurement policy to purchasing.

The Charity does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The policies set by the Board are implemented by the Charity's finance department.

Cash flow risk

The Charity has interest bearing assets. Interest bearing assets include only cash balances which earn interest at a fixed rate.

Price risk

The Charity is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases in the UK.

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Trustee Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period.

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

1. select suitable accounting policies and then apply them consistently
2. make judgments and accounting estimates that are reasonable and prudent
3. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

LEY COMMUNITY DRUG SERVICES

TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE PERIOD ENDED 31ST MARCH 2023

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE FINANCIAL STATEMENTS (continued)

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARDS

Good Governance

A clear strategic framework is deeply embedded in the organisation and aligns purpose to objectives and workplans across each tier and within each department.

The budget is set with reference to the objectives and following a Board strategic review – ensuring resources align to corporate and Group objectives.

As a charity the organisation is also assessing itself against the Charity Commission Code of Governance and aims to achieve full compliance with the code.

Internal Control

The Board has overall responsibility for establishing and maintaining the system of internal control for the Charity and for reviewing its effectiveness. No system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Charity's assets and interests.

The Board has adopted a risk-based approach to internal control which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Charity is exposed.

The Charity identified areas on which assurance is sought and matched these to sources of assurance. In order to monitor whether the sources of assurance identified adequately minimise or eliminate risk, a control procedure is operated on a predetermined frequency basis via three Committees set up by the Group Board; the Audit & Control Committee, the Clinical Governance Committee and the People and Remuneration Committee. The Committees have different areas of internal control although some areas overlap.

The Chief Executive reports on the overall adequacy of these areas of internal control via six-monthly reports to the Audit & Control and the Clinical Governance Committees. The Chief Executive also reports on any particular risks identified during the period covered by the report, and action taken, which affect specific areas on which assurance is being sought. The Committees report their conclusions to the Board.

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TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE PERIOD ENDED 31ST MARCH 2023

Internal Control (continued)

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

Risk management

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review of the Charity's activities. This process is coordinated through a regular reporting framework by the Executive Team. The Executive Team regularly considers reports on significant risks facing the Charity and the Chief Executive is responsible for reporting to the Committees and the Board any significant changes affecting key risks.

Monitoring and corrective action

A process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the Board. This includes rigorous procedures for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Board has adopted Group policies and procedures, in all relevant areas.

Information and financial reporting systems

Financial reporting procedures include a detailed budget for the year ahead. These are reviewed and approved by the Board. The Board also reviews reforecasts against budget.

The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes. The internal control framework and the risk management process are subject to regular review by the Committees which are responsible for providing independent assurance to the Board via regular reports. The Committees consider internal control and risk regularly during the period.

Fraud prevention, detection and reporting

A financial policy and financial controls and procedures have been established in order to prevent and detect fraud. The Charity operates a Fraud Register which itemises all instances of fraud/attempted fraud and the Audit & Control Committee regularly reviews the Fraud Register.

Review

The Directors, through the Audit & Control and Clinical Governance Committees, have reviewed the effectiveness of the Charity's system of internal financial control in operation during 2022-23 and up to date of approval of the financial statements and confirmed that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Charity.

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TRUSTEE REPORT (INCLUDING DIRECTORS REPORT) FOR THE PERIOD ENDED 31ST MARCH 2023

Disclosure of information to the auditor

In the case of each person who was a director at the time this report was approved:

1. so far as that director was aware there was no relevant audit information of which the Charity's auditor was unaware; and
2. that director had taken all steps that the director ought to have taken as a
3. director to make himself or herself aware of any relevant audit information and to establish that the Charity's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Directors

The Directors who served during the period were as follows:

Dr. Simon Street
Dr. Susanna Graham-Jones
Scott Mandelbrote
David Jones
Amanda Poole
Ian Watson
David Mackie

All of the Directors are non-beneficial members of the Charity. All members of the Charity guarantee to contribute to a maximum of £1, should there be a call on their guarantee whilst members of the Charity or within one year after ceasing to be a member. The Directors of the Charity are also the Trustees.

Auditor

The current auditor, CLA Evelyn Partners Limited, is deemed to be reappointed as auditor.

Approved by the Board of directors on 28th July 2023 and signed on behalf of the Board by


Simon Street (Aug 2, 2023 15:30 GMT+1)

Dr. Simon H Street
(Director)

02/08/2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEY COMMUNITY DRUG SERVICES

Opinion

We have audited the financial statements of Ley Community Drug Services (the 'charitable company') for the period ended 31 March 2023 which comprise of the statement of financial activities including income & expenditure, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2023 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

LEY COMMUNITY DRUG SERVICES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEY COMMUNITY DRUG SERVICES (CONTINUED)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report and financial statements, which incorporates the trustee report, which includes the Directors' Report prepared for the purpose of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report contained within the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the charitable company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an

LEY COMMUNITY DRUG SERVICES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEY COMMUNITY DRUG SERVICES (CONTINUED)

understanding of the charitable company's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the charitable company's industry and regulation. We understand that the charitable company complies with the framework through:

- Updating procedures and controls as legal and regulatory requirements and the activities of the charitable company change; and
- The trustees' oversight through regular board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the charitable company:

- FRS 102 and the requirements of the Companies Act 2006 and the Charities Act 2011 in respect of the preparation and presentation of the financial statements;
- Health and Safety regulations, including building safety; and
- Charity law and regulations.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Made enquiries of management and those charged with governance as to the risks of non-compliance and any instances thereof;
- Read minutes of meetings of those charged with governance; and
- Obtained a management representation point to confirm that the procedures in place to ensure compliance with relevant laws and regulations are considered to be adequate.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Charity's processes and controls surrounding manual journal entries; and
- Reviewing and challenging estimates made by management.

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

The financial statements of Ley Community Drug Services for the year ended 30 September 2022 were unaudited.

Use of our report

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

Andrew Bond
Andrew Bond (Aug 2, 2023 18:38 GMT+1)

Andrew Bond
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street,
London,
EC2V 7BG
02/08/2023
[Date]

LEY COMMUNITY DRUG SERVICES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2023

The financials stated for the period 2023 are for a six month period 1st October 2022 to 31st March 2023. The 2022 comparatives are for the 12 month period 1st October 2021 to 30th September 2022.

		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
		2023	2023	2023	2022	2022	2022
	Notes	£	£	£	£	£	£
Income & Endowments from:							
Donations & Legacies	2	496	-	496	966	-	966
Charitable Activities -							
Drug Rehabilitation Income	3	-	-	-	7,494	-	7,494
Interest Received	4	4,409	-	4,409	1,780	-	1,780
Other Income	5	-	-	-	5,138	-	5,138
Total Income		4,905		4,905	15,378	-	15,378
Expenditure on:							
Raising funds	6	-	-	-	216	-	216
Charitable Activities	7	101,655	-	101,655	159,045	-	159,045
Total Expenditure		101,655	-	101,655	159,261	-	159,261
Transfers between funds		6,380	(6,380)	-	-	-	-
Net (expenditure) / income for the year / Net movement in funds		(90,370)	-	(90,370)	(143,883)	-	(143,883)
Fund balances as at 1 October 2022		2,157,388	156,387	2,313,775	2,301,271	156,387	2,457,658
Fund balances as at 31st March 2023		2,067,018	150,007	2,217,025	2,157,388	156,387	2,313,775

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LEY COMMUNITY DRUG SERVICES

BALANCE SHEET AS AT 31 MARCH 2023

The financials stated for the period 2023 are for a six month period 1st October 2022 to 31st March 2023. The 2022 comparatives are for the 12 month period 1st October 2021 to 30th September 2022.

	Notes	2023 £	£	2022 £	£
Fixed Assets					
Tangible Assets	11		800,060		443,318
Current Assets					
Debtors	12	4,804		10,907	
Cash at Bank and in Hand		1,573,173		1,897,643	
		<u>1,577,977</u>		<u>1,908,550</u>	
Creditors: Amounts Falling due within One Year	13	<u>(161,012)</u>		<u>(38,093)</u>	
Net Current Assets			1,416,965		1,870,457
Total assets Less Current Liabilities			<u>2,217,025</u>		<u>2,313,775</u>
Income Funds					
Restricted Funds	15		150,007		156,387
Unrestricted Funds			<u>2,067,018</u>		<u>2,157,388</u>
			<u>2,217,025</u>		<u>2,313,775</u>

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on the 28th July 2023 and were signed on its behalf by:


Simon Street (Aug 2, 2023 15:30 GMT+1)

Dr. Simon H Street
(Director) 02/08/2023


Ian Watson (Aug 2, 2023 15:41 GMT+1)

Ian Watson
(Director) 02/08/2023

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

1 Accounting policies

General information

Ley Community Drug Services is a wholly owned subsidiary of Phoenix Futures. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 03736193. It is also a registered charity, number 1074874, Its registered office is 26 Sandy Lane, Yarnton, Oxford. OX5 1PB.

The Charity is a public benefit entity within the meaning of FRS 102 paragraph PBE 3.3A.

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

The financial statements are presented in Sterling.

Going concern

As it is the Charity's intention to continue in business, the financial statements are prepared on a going concern basis. The trustees consider that there are no material uncertainties about the charities ability to continue as a going concern. The trustees are aware of key risks that may arise and have arrangements in place to mitigate those risks.

Charitable funds

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

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

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

Income

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

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

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

No amount is included in the financial statements for the volunteer time in line with the SORP (FRS 102).

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023 (CONTINUED)

1 Accounting policies (continued)

Expenditure

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

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

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the costs which are associated with raising funds from all the possible sources of incoming resources;
- Expenditure on charitable activities includes the expenditure incurred by the charity in furtherance of the charity's objects; and
- Other expenditure represents those items not falling into the categories above.

Support Costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Key sources of estimation uncertainty and judgements

In the preparation of the financial statements the Board is required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the period. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023 (CONTINUED)

1 Accounting policies (continued)

Key sources of estimation uncertainty and judgements (continued)

The judgements, estimates and assumptions which have the most significant effect on amounts recognised in the financial statements are discussed below:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets.

Identification of residential property components

The Charity accounts for its expenditure on residential properties using component accounting. Under component accounting, the residential property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components and in determining the useful economic lives of each component.

Residential property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Tangible Fixed assets

Tangible fixed assets and any additions to residential properties are stated at cost less any provision for any diminution in value and depreciation. The cost of land is not depreciated.

The cost of properties is the initial purchase price together with those costs that are directly attributable to acquisition and construction. Where an asset comprises components with materially different useful lives, those assets are separately identified and depreciated over those individual lives.

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefit is capitalised and the carrying amount of any replaced component or part component is derecognised.

Depreciation is provided on a straight line basis over the periods shown below:

Housing properties

Land	Infinite
Structure	50 years
Roofs	40 years
Heating System	30 years
Kitchens	15 years
Bathrooms	10 years

Other fixed assets are included at cost to the Charity less depreciation.

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023 (CONTINUED)

1 Accounting policies (continued)

Other tangible fixed assets

Computer hardware and software	3 years
Equipment	3 years

Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

Where investments represent one entity gifting control to the other, the investment is initially recognised at the fair value of the gifted assets and liabilities, with a corresponding gain or loss recognised in the Statement of Comprehensive Income in the period of the transaction.

Cash and cash equivalents

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

Financial Instruments

Financial assets and liabilities comprise trade and other debtors, cash and cash equivalents and trade and other payables.

Financial assets and financial liabilities are recognised when the Charity becomes party to the contractual provisions of the financial instrument.

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (normally the transaction price less transaction costs), unless the arrangement constitutes a financial transaction. If an arrangement constitutes a financial transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of Section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are only derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled,
- the Charity transfers to another party substantially all the risk and rewards of ownership of the financial asset, or,

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023 (CONTINUED)

1 Accounting policies (continued)

Financial Instruments (continued)

- the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Charity does not use standalone derivative financial instruments to reduce exposure to interest rate movements.

Impairment

Non-financial assets

Non-financial assets comprise residential properties.

Non-financial assets, other than those measured at fair value, are assessed for indications of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use.

Value in use for housing properties which are able to be let in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

Financial assets

Financial assets comprise trade and other debtors, cash and cash equivalents, and trade and other creditors.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023 (CONTINUED)

1 Accounting policies (continued)

Provisions

Provisions for liabilities and charges are recognised when the Charity has a present obligation (whether legal or construction) as a result of a past event that can be reliably estimated and it is probable that a transfer of economic benefit will be required to settle the obligation.

Taxation

All income is applied solely for charitable purposes and therefore any surplus is exempt from corporation tax.

Revenue Reserves

It is the policy of the Charity to maintain sufficient free reserve levels to enable it to invest, respond to new opportunities and grow sustainably being able to withstand any shortfall in income or unforeseen expenditure while any necessary adjustments are made to the Charity's operations. This level of free reserves will provide some protection to the Charity and its charitable services during changing financial circumstances. Such circumstances may include a downturn in utilisation or other income, the need for unanticipated expenditure or strategic investment.

Restricted Reserves comprise of monies which have an imposed condition or are restricted to a specific purpose. Upon the conditions of the restriction being met, the funds are released.

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023 (CONTINUED)

The financials stated for the period 2023 are for a six month period 1st October 2022 to 31st March 2023. The 2022 comparatives are for the 12 month period 1st October 2021 to 30th September 2022.

2. Donations and Legacies

	Unrestricted Funds	Unrestricted Funds
	2023	2022
	£	£
Donations & Gifts	496	966

3. Charitable Activities – Drug Rehabilitation Income

	2023	2022
	£	£
Local Authority Fees	-	7,494
Analysis by Fund		
Unrestricted funds	-	7,494

4. Interest Receivable

	Unrestricted Funds	Unrestricted Funds
	2023	2022
	£	£
Bank Interest Received	4,409	1,780

5. Other Income

	Unrestricted Funds	Unrestricted Funds
	2023	2022
	£	£
State Benefits	-	5,138

6. Raising Funds

	Unrestricted Funds	Unrestricted Funds
	2023	2022
	£	£
Professional Services & Consultancy	-	216

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023 (CONTINUED)

7. Charitable Activities

	Unrestricted Funds	Unrestricted Funds
	2023	2022
	£	£
Depreciation & Impairments	-	10,383
Consultancy Salary Costs	21,305	74,955
Subscriptions & Renewals	550	1,041
Printing, Postage, Stationary & Photocopying	374	120
Other Staff Costs (inc motor expenses)	543	302
Office Equipment	2,156	-
Telephone	339	1,224
Sundries	179	135
Lighting & Heating	2,562	1,292
Rates, Security & Insurance	31,050	15,518
Repairs & Renewals	4,370	4,007
Building Project	-	18,968
Professional Fees	25,647	26,100
	<u>89,075</u>	<u>154,045</u>
Share of Governance costs (see note 8)	12,580	5,000
	<u>101,655</u>	<u>159,045</u>

8. Governance Costs

	Support Costs	Governance Costs	2023	Support Costs	Governance Costs	2022
	£	£	£	£	£	£
Audit/Independent Examiner's Fees	-	12,580	12,580	-	5,000	5,000
	<u>-</u>	<u>12,580</u>	<u>12,580</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Analysed between						
Charitable Activities	<u>-</u>	<u>12,580</u>	<u>12,580</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>

9. Trustees

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

No Trustees (2022: none) are accruing pension arrangements.

During the period Directors' liability insurance of £nil was paid (2022: £nil). Phoenix Group hold Directors' liability Insurance which extends to The Ley Board members. The Directors are also the Trustees.

The total amount of employee benefits received by key management personnel was £nil (2022: £nil), as the CEO post was covered on a consultancy agreement basis as detailed in the Related Party transaction note to the accounts. The charity considers its key management personnel comprise of the CEO and Executive Team.

10. Employees

There were no employees during the period, nor in the prior year (2022), as all staff were made redundant in May 2021.

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023 (CONTINUED)

11. Tangible Fixed Assets

	Freehold Land & Buildings £	Improvements to Freehold Property £	Total £
Cost			
At 1st October 2022	159,055	528,917	687,972
Additions	-	356,742	356,742
As at 31st March 2023	159,055	885,659	1,044,714
Depreciation & Impairment			
At 1st October 2022	52,355	192,299	244,654
Depreciation Charged in the Period	-	-	-
As at 31st March 2023	52,355	192,299	244,654
Carrying Amount			
At 1st October 2022	106,700	336,618	443,318
As at 31st March 2023	106,700	693,360	800,060

Due to the redevelopment of the land and buildings, there is no depreciation in the period. Once the redevelopment has concluded, depreciation will commence in line with the housing depreciation period outlined on page 16.

12. Debtors

	2023 £	2022 £
Amounts Falling Due Within One Year		
Prepayments & Accrued Income	4,804	10,907

13. Creditors: Amounts Falling Due Within One Year

	2023 £	2022 £
Trade Creditors	16,107	32,947
Other Creditors	13	45
Accruals	13,104	5,101
Amounts owed to Parent Company	131,788	-
	161,012	38,093

14. Retirement benefit schemes

Defined contribution schemes

The charity makes contributions to the personal pension schemes of individual employees. The charity has made a stakeholder scheme available to its employees and contributes up to 6% of salary.

The charge to profit or loss in respect of defined contribution schemes was £Nil (2022- £nil).

LEY COMMUNITY DRUG SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023 (CONTINUED)

15. Restricted Funds

	Balance at 1st October 2021	(Outgoing) Incoming Resources	Balance at 1st October 2022	(Outgoing) Incoming Resources	Balance at 31st March 2023
	£	£	£	£	£
Kitchen Refurbishment	622	-	622	-	622
Refurbishment Funds	5,947	-	5,947	-	5,947
Resident Activities	12,848	-	12,848	-	12,848
Computers	240	-	240	-	240
PHE - Recovery Housing	6,380	-	6,380	(6,380)	-
Library	350	-	350	-	350
Female Accommodation	5,000	-	5,000	-	5,000
Adrian Van Hoorn Bursary	125,000	-	125,000	-	125,000
	156,387	-	156,387	(6,380)	150,007

16. Analysis of Net Assets between Funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£	£	£	£
Fund balances at 1st March 2023 are represented by:						
Tangible Assets	793,252	6,808	800,060	430,129	13,189	443,318
Current Assets / Liabilities	1,273,766	143,199	1,416,965	1,727,259	143,198	1,870,457
	2,067,018	150,007	2,217,025	2,157,388	156,387	2,313,775

17. Related party transactions

During the period £10,250 (2022: £54,000) was paid to CaN Consulting which is owned by D Worthington (Chief Executive) for interim CEO duties.

18. Analysis of Changes in Net Funds

The charity had no debt during the period.