

**ADDICTION RECOVERY AGENCY LIMITED**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH  
2025**

<u>CONTENTS</u>	<u>Page</u>
Reference and administrative information	1
Board report	2 – 8
Auditors' report	9 – 13
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the financial statements	17 – 32

Registered charity number – 1002224

Company number - 02540814

**ADDICTION RECOVERY AGENCY LIMITED**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

WORKING NAME

Ara

SOLICITORS

Anthony Collins Solicitors  
134 Edmund Street  
BIRMINGHAM  
B3 2ES

AUDITOR

Burton Sweet Limited  
The Clock Tower  
5 Farleigh Court  
Old Weston Road  
Flax Bourton  
BRISTOL  
BS48 1UR

BANKERS

HSBC  
62 George White Street  
Cabot Circus  
BRISTOL  
BS1 3BA

PRINCIPAL ADDRESS

King's Court  
King Street  
BRISTOL  
BS1 4EF

KEY PERSONNEL

Chief Executive  
Director of Finance  
Director of Operations  
Company Secretary  
Company Secretary  
Director of Gambling/Cymru

Graham England  
Andrew Ridley  
Robbie Thornhill  
Andrew Ridley (resigned December 2024)  
Stuart Williams (appointed December 2024)  
Helen Kovacs (resigned October 2024)

## ADDICTION RECOVERY AGENCY LIMITED

### REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

#### BOARD REPORT

The Board present their report for the year ended 31 March 2025. Due to the Board Members' status as directors under the Companies Act 2006, this report constitutes a director's report as required by the Companies Act 2006, and has been prepared taking advantage of the exemptions conferred by Part 15 of this act.

The Board Members during the year and to date of approval of the accounts were:

D Thomas (Chair)  
A Collins (deceased April 2024)  
C Shepherd  
L Copsie  
J Hitchen  
M Banissy  
D Eva  
D Kingham (appointed July 2024)

#### **GOVERNING DOCUMENT**

The Charity was established in 1987 by incorporation as a company limited by guarantee. Consequently, the governing instrument of the Charity is its Memorandum and Articles of Association. The Charity is registered with the Charity Commission under number 1002224. The Company registration number is 02540814.

#### **CHARITABLE OBJECTS**

The Charity's objects are:

The relief of those in need whose health is at risk or who are otherwise disadvantaged due to difficulties associated with mental health or detrimental use of or dependency on substances (including but not limited to alcohol and drugs of any kind) or detrimental behaviours (including but not limited to gambling) and the education of the public on such matters by such means as the trustees in their discretion think fit.

#### **PUBLIC BENEFIT**

Ara is one of the largest voluntary organisations providing addiction and mental health services in the South West and Wales. In 2024/25 Ara offered a wide range of treatment and support to benefit people with drugs, alcohol, gambling and mental health problems in Bristol, North Somerset, South Gloucestershire, Gloucestershire, Somerset, Cornwall and Wales including:

- **Housing support service** - the largest single contracted service of its kind in Bristol providing accommodation and support to over 250 people with drug and alcohol problems at any one time. A key element of the Bristol Homelessness Pathways service;

## ADDICTION RECOVERY AGENCY LIMITED

### REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

#### **PUBLIC BENEFIT (continued)**

- **Prison Resettlement Services** – services that help people to resettle into appropriate accommodation on release from local prisons;
- **Housing First Service** – working in Bristol to house and support people at significant risk of homelessness;
- **Specialist Housing Support** - Ara's team promotes tenancy sustainment and prevents homelessness for people with drug and alcohol problems;
- **Gambling Counselling & Community Engagement** - Ara is commissioned by GambleAware to provide counselling for people experiencing problems with gambling;
- **Gambling Youth Education** – Ara works with young people and other professionals to improve understanding of the risks relating to gambling.

During the year, Ara charged for rent and household service charges. These charges were paid for by Local Authorities and service users respectively. Ara provides no private benefit. Board Members have considered public benefit guidance issued by the Charity Commission.

#### **ACHIEVEMENTS AND PERFORMANCE 2024/25**

Ara continues to have a major impact on the lives of those suffering from addiction and mental health problems. Key statistics are set out below:

##### ***HOUSING SERVICE***

243 people housed in our substance misuse accommodation.

88% occupancy across our housing accommodation (business plan target 92%).

98% of service users were satisfied with the service.

100% of service users would recommend the service to others.

**ADDICTION RECOVERY AGENCY LIMITED**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**ACHIEVEMENTS AND PERFORMANCE 2024/25 (continued)**

***SPECIALIST HOUSING SUPPORT***

285 clients supported across the service and 1100 attendances at community engagement groups set up by Ara.

***GAMBLING TREATMENT & COMMUNITY ENGAGEMENT SERVICE***

1764 clients received counselling.

99% clients were satisfied with the service they received.

Average well-being score improved by 8 points because of Ara.

11944 people were offered information, advice and guidance about gambling harms.

1383 people attended the "Battling the Odds" programme for people connected to the Armed Forces

***GAMBLING YOUTH EDUCATION***

867 professionals were educated in our gambling awareness programme.

7212 young people took part in our programme to raise awareness of gambling harms.

***CRIMINAL JUSTICE SERVICES***

448 referrals from 27 prisons to Ara's Prison Resettlement Service an increase of 69% from the previous year.

100 people were directly accommodated on their release from prison.

***HOUSING FIRST***

Ara began its Bristol Housing First service in 2024/25. This service will house and support 28 people who otherwise would have been at a very high risk of being homeless. As part of this project, Ara acquired 15 flats in Bristol funded by a grant of £1,340,000 from Bristol Council and loan facility of £1,415,000 from Social and Sustainable Capital.

## ADDICTION RECOVERY AGENCY LIMITED

### REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

#### **ACHIEVEMENTS AND PERFORMANCE 2024/25 (continued)**

##### **RISK MANAGEMENT**

The Board actively reviews the major risks that the Charity faces on a regular basis and believes that maintaining our free reserves at the levels stated on page 7 will provide sufficient resources in the advent of adverse business conditions. The Board has approved a Risk Policy and Risk Register that identifies the main risks facing Ara, the potential impact of these risks, controls already in place to mitigate the risk and what action needs to be taken.

Loss of a major contract is a potentially significant risk. To deal with this Ara has procedures to monitor contract performance and to ensure that strong working relationships are maintained with commissioners. The loss of key staff and Board Members is another potential risk facing the organisation. The documentation of all policies, procedures, and succession planning help to minimise the impact of this risk. Failure to provide the required level of support to clients and patients is also a potential significant risk. Client risk assessments and detailed policies and procedures are in place to mitigate this risk.

##### **LOOKING AHEAD**

The coming year also brings several exciting opportunities with new and expanded services. The Charity's main objectives in the coming year include:

- successfully delivering the new Bristol Housing First service;
- expanding gambling treatment services, with the aim of counselling 2500 people;
- growing Ara's criminal justice services;
- achieving 92% occupancy in our houses;
- rolling out the Actions for Living project to develop new ways of supporting people with substance misuse problems;
- applying to become a Registered Provider of Social Housing.

## **ADDICTION RECOVERY AGENCY LIMITED**

### **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

#### **BOARD REPORT (continued)**

##### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

A Board of Trustees governs Ara. Regular briefings are held for Board Members to provide them with detailed information about the way in which services are designed and delivered as a means of understanding the regular performance information provided for monitoring purposes. Ara's Senior Management Team is Graham England (Chief Executive), Andrew Ridley (Director of Finance and Deputy Chief Executive), Robbie Thornhill (Director of Operations). The pay and terms and conditions of the Senior Management Team are reviewed annually by the Board. During 2024/25 Ara had an average of 76 full time equivalent staff and 40 volunteers.

##### **RECRUITMENT AND APPOINTMENT OF TRUSTEES**

A skills audit is regularly conducted of Board Members to identify gaps in expertise on the Board and to assist with recruitment. Recruitment of new Members with appropriate skills and experience is undertaken through individual contact, networking and advertising.

##### **TRUSTEE INDUCTION AND TRAINING**

New Trustees are given the Board Member's handbook on joining, which includes the duties and responsibilities of Trustees and the structure, organisation and management of the charity. Induction training is also provided.

##### **FINANCIAL POSITION OF THE CHARITY**

The Board can confirm that the Charity's assets are available and adequate to fulfil the obligations of the charity on a fund-by-fund basis. The Charity had net assets of £3,220,103 at 31 March 2025 of which £2,602,924 is held in unrestricted funds. The Charity's net assets increased by £1,565,939 during the year largely as a result of with the purchase of the 15 flats in Bristol funded by a grant and a loan.

Whilst Ara does receive small value donations it does not actively engage in fundraising.

## **ADDICTION RECOVERY AGENCY LIMITED**

### **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

#### **BOARD REPORT (continued)**

##### **INVESTMENT POLICY**

The Board approved an Investment Policy in August 2024. The policy outlines the Charity's attitude to risk and the ethical issues that need to be considered when decisions on investments are taken.

##### **RESERVES POLICY**

At 31 March 2025, the Charity had total reserves of £3,220,103. The balance on restricted reserves was £ 617,179. Movements in restricted funds are shown in note 14 to the financial statements. Designated reserves totalled £2,066,301 with £1,918,626 relating to the Fixed Asset fund which is equivalent to the estimated value of reserves that can only be realised from the sale of fixed assets. Designated reserves are also used to fund the Charity's 'Actions for Living project, fund the costs of applying to become a Registered Provider of Social Housing and to meet the costs of property refurbishment.

The Charity's Reserves Policy is to hold two to three months operating expenses on unrestricted activities in liquid unrestricted funds. This currently equates to around £420,000 - £630,000. At 31 March 2025 the liquid unrestricted reserves were £536,623 (2024, £608,717). The Board reviewed its reserves target in August 2025 and consider this to be adequate given the duration of the Charity's main contracts, potential liabilities should those contracts come to an end and the planned expansion of the organisation.

##### **TRUSTEES STATEMENT OF RESPONSIBILITIES**

The Trustees (who are also directors of Addiction Recovery Agency for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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 Accepted Accounting Practice).

**ADDICTION RECOVERY AGENCY LIMITED**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**BOARD REPORT (continued)**

**TRUSTEES STATEMENT OF RESPONSIBILITIES**

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and the Trustees have taken all steps that they ought to make themselves aware of that information.

BY ORDER OF THE BOARD

DAVID THOMAS  
CHAIR

DATE 19 SEPTEMBER 2025

**ADDICTION RECOVERY AGENCY LIMITED**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADDICTION RECOVERY AGENCY LIMITED**

**OPINION**

We have audited the financial statements of Addiction Recovery Agency Limited (the "Charity") for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 31 March 2025 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 in 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 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.

**ADDICTION RECOVERY AGENCY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**2025**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ADDICTION  
RECOVERY AGENCY LIMITED continued**

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 charity'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 directors with respect to going concern as described in the relevant sections of this report.

**Other information**

The trustees 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 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 the fact.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable law requirements.

**ADDICTION RECOVERY AGENCY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**2025**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADDICTION  
RECOVERY AGENCY LIMITED continued**

**Matters on which we are required to report by exception**

In the light of our 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.

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 visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made;  
or
- we have not obtained all the information and explanations necessary for the purposes of our audit;or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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 trustees 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 trustees either intend to liquidate the Charity 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.

**ADDICTION RECOVERY AGENCY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**2025**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADDICTION  
RECOVERY AGENCY LIMITED continued**

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements of the operations of the company, including the Company's Act 2006, taxation legislation and data protection, anti-bribery, employment, environment and health and safety legislation; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence and remaining alert during the audit for any indications of non-compliance.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- discussing amongst the engagement team the risks of fraud;
- gaining an understanding of the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- testing journal entries to identify unusual transactions;
- assessing whether judgements and assumptions made in determining the accounting estimates set out in accounting policies were indicative of potential bias; and
- investigating the rationale behind significant or unusual transactions.

**ADDICTION RECOVERY AGENCY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**2025**

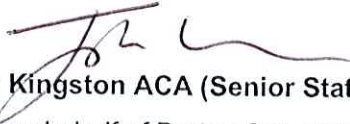
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADDICTION  
RECOVERY AGENCY LIMITED continued**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit](http://www.frc.org.uk/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Charity'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 Charity's members those matters we are required state in 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

  
**Joshua Kingston ACA (Senior Statutory Auditor)**

For and on behalf of Burton Sweet Limited

The Clock Tower  
5 Farleigh Court  
Old Weston Road  
Flax Bourton  
Bristol BS48 1UR

Date: 19/9/2025

## ADDICTION RECOVERY AGENCY LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) FOR THE YEAR ENDED 31 MARCH 2025

	note	Unrestricted Funds £	Restricted Funds £	Total funds 2025 £	Total funds 2024 £
INCOME AND EXPENDITURE					
INCOME FROM:					
Donations	3	6,134	62,000	68,134	120,971
Other Trading Activities:					
Rental income and related services		10,000	-	10,000	10,020
Investments:					
Interest receivable		31,783	-	31,783	24,657
Charitable Activities					
Grants, contracts and fees:					
Gambling Service	4	179,889	2,105,229	2,285,118	1,590,216
Housing Support & Resettlement		2,275,501	1,554,500	3,830,001	2,224,086
Somerset Services		-	-	-	80,813
Gloucestershire Services		-	-	-	9,569
sub total		<u>2,455,390</u>	<u>3,659,729</u>	<u>6,115,119</u>	<u>3,904,684</u>
Other income		17,389	-	17,389	-
<b>TOTAL INCOME</b>		<u>2,520,696</u>	<u>3,721,729</u>	<u>6,242,425</u>	<u>4,060,332</u>
EXPENDITURE ON:					
Charitable activities:					
Gambling Service		74,892	1,959,297	2,034,189	1,644,568
Housing Support & Resettlement		2,440,880	201,417	2,642,297	2,163,314
Somerset Services		-	-	-	77,825
Gloucestershire Services		-	-	-	9,569
<b>TOTAL EXPENDITURE</b>	5	<u>2,515,772</u>	<u>2,160,714</u>	<u>4,676,486</u>	<u>3,895,276</u>
Net income for the year		4,924	1,561,015	1,565,939	165,056
Balance brought forward at 1 April 2024		1,258,000	396,164	1,654,164	1,489,108
Transfers		1,340,000	-1,340,000	-	-
<b>BALANCE CARRIED FORWARD AT 31 March 2025</b>	12 , 14	2,602,924	617,179	3,220,103	1,654,164

The notes on pages 17 to 32 form part of these accounts.

All of the results relate to continuing operations.

Prior year comparatives are included in note 19.

## ADDICTION RECOVERY AGENCY LIMITED

(Company number 02540814, registered charity number 1002224)

### BALANCE SHEET

AT 31 MARCH 2025

	note	2025 £	2024 £
FIXED ASSETS			
Tangible assets	8	<u>3,384,596</u>	<u>709,648</u>
CURRENT ASSETS			
Debtors	9	814,198	659,445
Cash at bank and in hand		1,321,686	1,076,767
		<u>2,135,884</u>	<u>1,736,212</u>
CREDITORS: Amounts falling due within one year	10	-774,294	-644,605
NET CURRENT ASSETS		<u>1,361,590</u>	<u>1,091,607</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,746,186	1,801,255
CREDITORS: Amounts falling due after one year	11	-1,526,083	-147,091
NET ASSETS		<u><u>3,220,103</u></u>	<u><u>1,654,164</u></u>
FUNDS:			
Restricted	15	617,179	396,164
Unrestricted			
Designated	15	2,066,301	93,404
General	12	536,623	1,164,596
	15	<u><u>3,220,103</u></u>	<u><u>1,654,164</u></u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board on 19 September 2025 and signed on its behalf by

DAVID THOMAS (CHAIR)

The notes on pages 17 to 32 form part of these accounts

**ADDICTION RECOVERY AGENCY LIMITED**

**CASH FLOW STATEMENT FOR THE THE YEAR ENDING 31 MARCH 2025**

	Notes	2025 £	2024 £
<b>OPERATIONAL CASH FLOWS</b>			
<b>Income from operations:</b>			
Charitable activities (gross)	18a.1	5,952,811	3,474,137
Other activities: trading (gross)	18a.2	27,389	10,020
		5,980,200	3,484,157
<b>Charitable expenditure</b>	18b.1	-4,459,566	-3,436,695
		<u>1,520,634</u>	<u>47,462</u>
Net inflow from operating activities			
<b>Income for operating activities:</b>			
Voluntary sources other than endowments (gross)	18a.3	68,134	120,971
Endowed funds converted into income		-	-
		68,134	120,971
Net inflow of operating activities		1,588,768	168,433
<b>NON-OPERATIONAL CASH FLOWS</b>			
<b>Investing activities:</b>			
Payments for tangible fixed assets		-2,754,624	-95,647
Dividends and interest (gross)		31,783	24,657
		<u>-2,722,841</u>	<u>-70,990</u>
<b>Financing:</b>			
Loan repayments		-27,909	-27,476
Loan receipts		1,406,901	-
		<u>1,378,992</u>	<u>-27,476</u>
<b>Net cash inflow for the year</b>	18c	<u><b>244,919</b></u>	<u><b>69,967</b></u>

## ADDICTION RECOVERY AGENCY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

#### 1. ACCOUNTING POLICIES

##### a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011 and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

##### b) Tangible assets and depreciation

Tangible assets are held at cost less depreciation. Depreciation is provided on tangible assets with a value of more than £1000 at rates calculated to write off the cost, less estimated residual value of each asset, over its expected useful life as follows:

Long leasehold office property	2% straight line;
Improvements to long leasehold office property	10% straight line;
Improvements to short leasehold office property	10% - 33% straight line;
Office fixtures, fittings and equipment	10% - 33% straight line;
House fixtures, fittings and equipment	10% - 33% straight line.

Long leasehold houses are not depreciated, subject to an annual impairment review.

##### c) Income

Income is recognised in the period to which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

When donors specify that donations or grants are for a particular restricted purpose, which do not amount to pre-conditions regarding entitlement, this income is included in income of the appropriate restricted fund when it is receivable.

##### d) Costs of raising funds, charitable activities and governance costs

Expenditure is on an accruals basis inclusive of any VAT that cannot be recovered. The majority of costs are directly attributable to specific charitable activities.

The support costs have been apportioned to the activities of the Charity on the basis of the percentage of income of the activity compared to total income. This basis was used as a reasonable representation of the level of support required by each activity.

Governance costs are those associated with the constitutional and statutory requirements of the charity covering the external audit fee and Board expenses. Governance costs are included with charitable activities.

## ADDICTION RECOVERY AGENCY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

- e) Pensions costs  
The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and is shown in Note 6 to these financial statements.
- f) Operating leases  
Operating lease payments are charged to the Statement of Financial Activities as incurred over the term of the lease.
- g) Fund accounting  
Funds held by the Charity are either:
- Unrestricted general funds – these are funds which can be used in accordance with charitable objects at the discretion of trustees;
  - Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific or future projects;
  - Restricted funds – these are funds that can only be used for particular purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.
- h) Going concern  
The Board has carefully considered the going concern basis used in the preparation of the financial statements and is satisfied that this is correct based on forecast income and expenditure. There are no material uncertainties about the ability of the charity to continue as a going concern.
- i) Public Benefit  
Addiction Recovery Agency Limited is a public benefit entity.
- j) Trade debtors  
Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**ADDICTION RECOVERY AGENCY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

k) Trade creditors

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

l) Cash and cash equivalents

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

2. TAXATION

Addiction Recovery Agency Limited is a registered charity and, subject to funds being used for charitable purposes only, is exempt from Corporation Tax on its income and gains.

## ADDICTION RECOVERY AGENCY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

3. GRANTS AND DONATIONS	Unrestricted Funds £	Restricted Funds £	Total funds 2025 £	Total funds 2024 £
Double Diamond Gaming	-	-	-	41,167
Bet Fred	-	-	-	44,500
Quartet Foundation	-	-	-	32,280
Bristol City Council Wider Inclusion	-	50,000	50,000	-
Bristol City Council Staff Development	-	12,000	12,000	-
Other grants and donations	6,134	-	6,134	3,024
	<u>6,134</u>	<u>62,000</u>	<u>68,134</u>	<u>120,971</u>
4. GRANTS, CONTRACTS & FEES	Unrestricted Funds £	Restricted Funds £	Total funds 2025 £	Total funds 2024 £
<u>Housing Support &amp; Resettlement</u>				
Bristol City Council	1,591,497	1,554,500	3,145,997	1,572,906
Rent receivable (housing benefit)	615,088	-	615,088	585,453
Client service charges	68,916	-	68,916	65,727
	<u>2,275,501</u>	<u>1,554,500</u>	<u>3,830,001</u>	<u>2,224,086</u>
<u>Gambling Service</u>				
GamCare	-	50,886	50,886	202,060
Beacon Counselling Trust	150,000	72,000	222,000	50,000
IFF	9,900	-	9,900	-
GambleAware	-	1,982,343	1,982,343	1,338,156
Gambling Research Ontario	19,989	-	19,989	-
	<u>179,889</u>	<u>2,105,229</u>	<u>2,285,118</u>	<u>1,590,216</u>
<u>Somerset Services</u>				
Second Step	-	-	-	80,813
<u>Gloucestershire Services</u>				
CGL	-	-	-	9,569

Total Government grants received during the year as included in notes 3 & 4 above is £1,493,640

Prior year comparatives are included in note 20.

ADDICTION RECOVERY AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

5. TOTAL EXPENDITURE

	Direct Staff Costs £	Other Direct Costs £	Support Costs £	Total 2025 £	Total 2024 £
Gambling Service	1,505,953	235,873	292,363	2,034,189	1,644,568
Housing Support & Resettlement	1,334,779	967,224	340,294	2,642,297	2,163,314
Somerset Services	-	-	-	-	77,825
Gloucestershire Services	-	-	-	-	9,569
	<u>2,840,732</u>	<u>1,203,097</u>	<u>632,657</u>	<u>4,676,486</u>	<u>3,895,276</u>

Prior year comparatives are included in note 21.

## ADDICTION RECOVERY AGENCY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

#### 5. TOTAL EXPENDITURE (continued)

Other Direct Costs	Total 2025 £	Total 2024 £
House running costs	563,813	534,974
Client expenditure	101,895	56,785
Depreciation	12,280	19,143
Payments to partners	364,389	484,593
Premises	160,720	80,979
	<u>1,203,097</u>	<u>1,176,474</u>
Support Costs	Total 2025 £	Total 2024 £
Staff costs	222,811	234,619
Premises	23,107	21,674
Office costs	229,772	205,524
Depreciation	67,399	63,114
Loss on disposal of assets	-	7,745
Legal and professional	78,006	48,987
Loan interest	11,562	19,604
	<u>632,657</u>	<u>601,267</u>

Included within support costs are governance costs of £11,215 (2024, £10,196) which relate to the external audit and Board expenses.

## ADDICTION RECOVERY AGENCY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

#### 6. STAFF COSTS, TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

Staff costs were as follows:	Total 2025 £	Total 2024 £
Wages and salaries	2,474,747	1,983,210
Social security costs	243,936	185,151
Pension costs	55,566	44,018
	<u>2,774,249</u>	<u>2,212,379</u>

Number of employees earning in the following salary ranges:

	2025	2024
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
£80,000 - £90,000	1	1

Employment benefits, inclusive of employer national insurance and pension paid to key management personnel (Chief Executive, Director of Finance, Director of Operations, Director of Gambling/Cymru) in 2024/25 totalled £ 287,721 (2023/24, £296,911)

No remuneration was paid to Board Members. Travel costs of £506 (2023/24, £492) were re-imbursed to one Board Member.

The average number of employees analysed by function:  
equivalents analysed by function was:

	2025		2024	
	Head count	FTE	Head count	FTE
Support services	54	52	44	41
Treatment services	14	12	17	11
Management and administration of the charity	13	12	12	10
	<u>81</u>	<u>76</u>	<u>73</u>	<u>62</u>

#### 7. NET INCOME FOR THE YEAR

	2025 £	2024 £
This is stated after charging:		
Depreciation of owned assets	79,676	82,257
Auditors' remuneration - audit fee	10,560	9,520
Operating lease rentals	87,936	75,674
	<u>178,172</u>	<u>167,451</u>

**ADDICTION RECOVERY AGENCY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**8. TANGIBLE ASSETS**

COST	Long Leasehold Property £	Long Leasehold Improvis £	Short Leasehold Improvis £	Managed Property Refurbishments & Equipment £	Fixtures, Fittings and Equipment £	Total £
At 1 April 2024	768,461	134,677	62,303	213,316	216,559	1,395,316
Additions	2,680,110	37,853	7,667	1,278	27,719	2,754,627
Disposals	-	-	-	-20,777	-4,357	-25,134
At 31 March 2025	<u>3,448,571</u>	<u>172,530</u>	<u>69,970</u>	<u>193,817</u>	<u>239,921</u>	<u>4,124,809</u>
<b>DEPRECIATION</b>						
At 1 April 2024	271,809	99,795	34,417	193,785	85,862	685,668
Charge for the year	15,373	4,994	7,426	12,276	39,610	79,679
Disposals	-	-	-	-20,777	-4,357	-25,134
At 31 March 2025	<u>287,182</u>	<u>104,789</u>	<u>41,843</u>	<u>185,284</u>	<u>121,115</u>	<u>740,213</u>
<b>NET BOOK VALUE</b>						
At 31 March 2025	3,161,389	67,741	28,127	8,533	118,806	3,384,596
At 31 March 2024	496,652	34,882	27,886	19,531	130,697	709,648

## ADDICTION RECOVERY AGENCY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

9. DEBTORS	2025	2024
	£	£
Rents and fees	782,810	636,166
Prepayments	53,427	60,982
less Provision for doubtful debts	<u>-22,039</u>	<u>-37,703</u>
	<u>814,198</u>	<u>659,445</u>

10. CREDITORS	2025	2024
	£	£
Amounts falling due within one year		
Bank loan	30,187	32,466
Trade creditors	205,890	60,264
Taxation and social security	65,015	60,381
Amounts due to residents	1,452	1,556
Other creditors and accruals	71,220	112,862
Fees and grants received in advance	<u>400,530</u>	<u>377,076</u>
	<u>774,294</u>	<u>644,605</u>

	2025	2024
	£	£
Deferred income reconciliation		
Deferred income brought forward	377,076	70,295
Income credited in year	-377,076	-70,295
Fees and grants received in advance	<u>400,530</u>	<u>377,076</u>
Deferred income carried forward	<u>400,530</u>	<u>377,076</u>

11. CREDITORS	2025	2024
	£	£
Amounts falling due after more than one year		
Social and Sustainable Capital loan	1,406,901	-
HSBC loan	<u>119,182</u>	<u>147,091</u>
	<u>1,526,083</u>	<u>147,091</u>

The Social and Sustainable Capital loan is secured by a 10 year mortgage over fifteen flats. The loan is repaid by a bullet repayment in 2034. Interest is charged based on a fixed percentage of rent charged to the tenant.

The HSBC loan is secured by a 25 year mortgage over the charity's leasehold property known as Units 6, 7 and 8 King's Court, King Street, Bristol. The bank loan is to be repaid by monthly instalments over 25 years and is on a variable rate of 3% per annum over the Bank's base rate (currently 4%).

Maturity of loans:	£	£
Due in less than one year	30,187	32,466
Due between two and five years	129,864	129,864
Due after more than five years	<u>1,396,219</u>	<u>17,227</u>
	<u>1,556,270</u>	<u>179,557</u>

**ADDICTION RECOVERY AGENCY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

12. UNRESTRICTED FUNDS

	Balance 01 April 2024 £	Movement in Funding Income £	Expenditure £	Transfers £	Balance 31 March 2025 £
GENERAL FUNDS	<u>1,164,596</u>	<u>2,520,696</u>	<u>-2,492,543</u>	<u>-656,126</u>	<u>536,623</u>
DESIGNATED FUNDS					
Leasehold Property Refurbishment Fund	23,739	-	-5,685	-	18,054
Actions For Living Fund	69,665	-	-14,577	-	55,088
Registered Provider Fund	-	-	-2,967	77,500	74,533
Fixed Asset Fund	-	-	-	1,918,626	1,918,626
	<u>93,404</u>	<u>-</u>	<u>-23,229</u>	<u>1,996,126</u>	<u>2,066,301</u>
TOTAL UNRESTRICTED FUNDS	<u>1,258,000</u>	<u>2,520,696</u>	<u>-2,515,772</u>	<u>1,340,000</u>	<u>2,602,924</u>
PRIOR YEAR					
	Balance 01 April 2023 £	Movement in Funding Income £	Expenditure £	Transfers £	Balance 31 March 2024 £
GENERAL FUNDS	<u>966,755</u>	<u>2,437,100</u>	<u>-2,239,259</u>	<u>-</u>	<u>1,164,596</u>
DESIGNATED FUNDS					
Leasehold Property Refurbishment Fund	29,419	-	-5,680	-	23,739
Actions For Living Fund	80,186	-	-10,521	-	69,665
	<u>109,605</u>	<u>-</u>	<u>-16,201</u>	<u>-</u>	<u>93,404</u>
TOTAL UNRESTRICTED FUNDS	<u>1,076,360</u>	<u>2,437,100</u>	<u>-2,255,460</u>	<u>-</u>	<u>1,258,000</u>

The Leasehold Property Refurbishment Fund is used to meet the depreciation arising from the refurbishment of properties leased from Bristol City Council.

The Actions For Living Fund is used to fund projects to aid the recovery of people with drug and alcohol addiction.

The Registered Provider Fund is used to meet the costs of applying to become a Registered Provider of Social Housing.

The Fixed Asset Fund is used to meet any depreciation or impairment charge on owned property assets.

13. LEASE COMMITMENTS

At 31 March 2025 the charity had annual commitments under operating leases as set out below:

	Land, buildings & equipment 2025 £	Land, buildings & equipment 2024 £
Leases which expire in less than 1 year	41,948	35,528
Leases which expire between two and five years	<u>22,651</u>	<u>32,053</u>
	<u>64,599</u>	<u>67,581</u>



## ADDICTION RECOVERY AGENCY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

#### 15 . ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets £'s	Net Current Assets £'s	Creditors due after one year £'s	Provisions £'s	Total 2025 £'s
<b>Restricted Funds</b>					
North Somerset Refurb Fund	-	6,678	-	-	6,678
North Somerset Service Fund	-	37,344	-	-	37,344
GambleAware Projects Fund	-	289,427	-	-	289,427
Gambling Youth Outreach & Education Fund	-	80,799	-	-	80,799
Gambling Commission Fund	-	55,074	-	-	55,074
Quartet Community Foundation Fund	-	-	-	-	-
Housing First Fund	-	30,751	-	-	30,751
Housing Wider Inclusion	-	43,603	-	-	43,603
Ten Point Plan	-	60,708	-	-	60,708
Single Homeless Accomodation Fund	-	2,157	-	-	2,157
Other Funds	-	10,638	-	-	10,638
					<u>617,179</u>
<b>Unrestricted Funds</b>					
General Reserves	-	603,414	-66,791	-	536,623
Designated Reserves	3,384,596	140,997	-1,459,292	-	2,066,301
					<u>-</u>
	<u>3,384,596</u>	<u>1,361,590</u>	<u>-1,526,083</u>	<u>-</u>	<u>3,220,103</u>
<b>PRIOR YEAR</b>					
	Fixed Assets £'s	Net Current Assets £'s	Creditors due after one year £'s	Provisions £'s	Total 2024 £'s
<b>Restricted Funds</b>					
North Somerset Refurb Fund	6,678	-	-	-	6,678
North Somerset Service Fund	-	49,237	-	-	49,237
GambleAware Projects Fund	-	158,929	-	-	158,929
Gambling Youth Outreach & Education Fund	-	95,701	-	-	95,701
Gambling Commission Fund	-	69,199	-	-	69,199
Quartet Community Foundation Fund	-	16,247	-	-	16,247
Other Funds	-	173	-	-	173
					<u>396,164</u>
<b>Unrestricted Funds</b>					
General Reserves	702,970	608,717	-147,091	-	1,164,596
Designated Reserves	-	93,404	-	-	93,404
	<u>709,648</u>	<u>1,091,607</u>	<u>-147,091</u>	<u>-</u>	<u>1,654,164</u>

#### 16. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and as such there is no share capital. In the event of the company being wound up the liability of the members is limited to £1 each.

#### 17. CAPITAL COMMITMENTS

At 31 March 2025 capital commitments were nil (2024, nil).



**ADDICTION RECOVERY AGENCY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

19. PRIOR YEAR FUND COMPARATIVES

	Unrestricted Funds £	Restricted Funds £	Total funds 2024 £
<b>INCOME AND EXPENDITURE</b>			
<b>INCOME FROM:</b>			
Donations	47,524	73,447	120,971
Other Trading Activities:			
Rental income and related services	10,020	-	10,020
Investments:			
Interest receivable	24,657	-	24,657
Charitable Activities			
Grants, contracts and fees:			
Gambling Service	50,000	1,540,216	1,590,216
Housing Support & Resettlement	2,224,086	-	2,224,086
Somerset Services	80,813	-	80,813
Gloucestershire Services	-	9,569	9,569
sub total	<u>2,354,899</u>	<u>1,549,785</u>	<u>3,904,684</u>
<b>TOTAL INCOME</b>	<u>2,437,100</u>	<u>1,623,232</u>	<u>4,060,332</u>
<b>EXPENDITURE ON:</b>			
Charitable activities:			
Gambling Service	17,368	1,627,200	1,644,568
Housing Support & Resettlement	2,160,267	3,047	2,163,314
Somerset Services	77,825	-	77,825
Gloucestershire Services	-	9,569	9,569
<b>TOTAL EXPENDITURE</b>	<u>2,255,460</u>	<u>1,639,816</u>	<u>3,895,276</u>

## ADDICTION RECOVERY AGENCY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

#### 20. PRIOR YEAR GRANTS, DONATIONS, CONTRACTS FEES COMPARATIVES

GRANTS AND DONATIONS	Unrestricted Funds £	Restricted Funds £	Total funds 2024 £
Double Diamond Gaming	-	41,167	41,167
BetFred	44,500	-	44,500
Quartet Foundation	-	32,280	32,280
Other grants and donations	3,024	-	3,024
	<u>47,524</u>	<u>73,447</u>	<u>120,971</u>

Donations received from Double Diamond Gaming are in lieu of a regulatory settlement to the Gambling Commission.

CONTRACTS & FEES	Unrestricted Funds £	Restricted Funds £	Total funds 2024 £
Housing Support & Resettlement Bristol City Council	1,572,906	-	1,572,906
Rent receivable (housing benefit)	585,453	-	585,453
Client service charges	65,727	-	65,727
	<u>2,224,086</u>	<u>-</u>	<u>2,224,086</u>
Gambling Service GamCare	-	202,060	202,060
Beacon Counselling Trust	50,000	-	50,000
GambleAware	-	1,338,156	1,338,156
	<u>50,000</u>	<u>1,540,216</u>	<u>1,590,216</u>
Somerset Services Second Step	<u>80,813</u>	<u>-</u>	<u>80,813</u>
Gloucestershire Services CGL	<u>-</u>	<u>9,569</u>	<u>9,569</u>

**ADDICTION RECOVERY AGENCY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

21. PRIOR YEAR TOTAL EXPENDITURE COMPARATIVES

	Direct Staff Costs £	Other Direct Costs £	Support Costs £	Total 2024 £
Gambling Service	1,098,541	305,609	240,418	1,644,568
Housing Support & Resettlement	943,952	870,865	348,497	2,163,314
Somerset Services	66,179	-	11,646	77,825
Gloucestershire Services	8,863	-	706	9,569
	<u>2,117,535</u>	<u>1,176,474</u>	<u>601,267</u>	<u>3,895,276</u>

22. RELATED PARTIES

There were no related party transactions apart from disclosed elsewhere in the accounts.