

Company number: 07471406

Living Streets Services Limited
Annual Report and Financial Statements
For the 18-month period ended 31 March 2023

Living Streets Services Limited

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For the 18-month period ended 31 March 2023

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Living Streets Services Limited
Reference and Administrative Details
For the 18-month period ended 31 March 2023

Status The organisation is a company limited by share capital, incorporated on 16 December 2010

Company number 07471406

Registered office and operational address The Office Group
133 Whitechapel High Street
London
England
E1 7QA

Directors Susan McFarlane (Chair)
Dame Jane Elizabeth Roberts
Mollie Bickerstaff
Jonathan Morley (resigned December 2021)
Stephen Jefford
Sarah Taylor (joined April 2022)
Stephen Edwards - CEO

Company Secretary Faheza Peerboccus

Bankers Cooperative Bank Plc
PO Box 250
Skelmersdale
WN8 6WT
NatWest
PO Box 12258
1 Princess Street
London
EC2R 8BP

Solicitors Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HRF

Auditors MHA
Sixth Floor, 2 London Wall Place
London
EC2Y 5AU

The Directors present their report and the financial statements for the 18-month period ended 31 March 2023.

The Directors and their interests

Directors are listed on the Reference and Administrative Details page.

Principal activities and review

Living Streets Services Limited provides resources to support walking initiatives delivered by Living Streets, a charity. Most of the trading activity is principally from the sale of resources to Local Authorities and schools for the Walk to School campaign; around the Walk once a Week (WOW) and Walk to School Week initiatives. There is a small amount of activity relating workplaces, early years, and secondary schools to benefit from walking more.

This was the twelfth year of trading for the company and results for the 18-month period show an operating profit of £314,839 (2021: £434,449).

Change of reporting date

Following a decision made by the Board of Trustees of Living Streets, these financial statements cover an 18-month period in order to report results as at 31 March from now on. Consequently, the previous report figures shown in these statements, being for 12 months to September 2021, are not directly comparable.

The impact of cost of living and inflation and how we are managing it

Considering the emergence of high inflation during the 18-month accounting period, the Board of Directors and Senior Management Team have monitored the situation closely and have taken decisions promptly to safeguard company financial health. Our primary manufacturer, for WOW badges, agreed a fixed contract pricing for three years in 2021 which included inflationary uplift in line with long-term pricing strategy. The company is experiencing some cost inflation for other suppliers, such as for print and distribution, which is being mitigated through pricing strategy and operational activities which support minimising wastage of stock.

Economic outlook

The funding landscape remains challenging and affects the ability of Living Streets (the Charity) to forecast revenue with certainty. We continue to prioritise maximising income from other sources, such as our early years and workplaces, to mitigate against this uncertainty.

Statement of the Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the profit or loss of the company for that period.

Statement of the Directors' responsibilities (continued)

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 company will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Provision of information to auditors

Each of the persons who are Directors at the time when this Annual Report is approved has confirmed that:

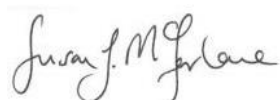
- So far as that Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each Director has taken all the steps that ought to have been taken as a director to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Annual Report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Directors on 21 September 2023 and signed on their behalf by



Susan McFarlane - Director

Independent Auditor's Report to the Members of Living Streets Services Limited

Opinion

We have audited the financial statements of Living Streets Services Limited (the 'company') for the 18-month period ended 31 March 2023 which comprise the statement of income and retained earnings, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023, and of its profit/loss for the year 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

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 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 directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Members of Living Streets Services Limited

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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 not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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.

Independent Auditor's Report to the Members of Living Streets Services Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out in the Directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of those in management functions around actual and potential litigation and claims;
- Enquiry of those in management functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

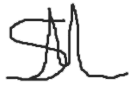
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities->

Independent Auditor's Report to the Members of Living Streets Services Limited

for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of MHA, Statutory Auditor
London, United Kingdom

Date: 20/11/2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Living Streets Services Limited

Company number: 07471406

Statement of Income and Retained Earnings

For the 18-month period ended 31 March 2023

		18- month period to 31 March 2023	Year ended 30 September 2021
	Note	£	£
Turnover	2	1,500,747	1,157,825
Cost of sales	3	(1,063,712)	(658,470)
Gross profit		437,035	499,355
Administrative expenses	4	(122,196)	(64,906)
Operating profit	5	314,839	434,449
		314,839	434,449
Taxation	6	-	-
Profit on ordinary activities after taxation		314,839	434,449

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than the profit or loss for the year.

Reconciliation of shareholders' funds

Retained earnings at the beginning of the year	434,449	231,624
Profit for the year	314,839	434,449
Distribution	(434,449)	(231,624)
	314,839	434,449

Living Streets Services Limited

Company number: 07471406

Balance Sheet

As at 31 March 2023

	Note	18- month period ended 31 March 2023 £	Year ended 30 September 2021 £
Current assets			
Stock	7	148,967	57,533
Debtors	8	307,785	153,797
Cash at bank and in hand	9	467,203	399,970
		<u>923,955</u>	<u>611,300</u>
Creditors: amounts due within one year	10	<u>(609,115)</u>	<u>(176,850)</u>
Net current assets		<u>314,840</u>	<u>434,450</u>
Net assets		<u>314,840</u>	<u>434,450</u>
Capital and reserves			
Share capital	11	1	1
Profit and loss account	12	314,839	434,449
Total funds		<u>314,840</u>	<u>434,450</u>

These accounts have been prepared in accordance with FRS 102 Section 1A (Small Entities).

Approved by the Directors on 21 September 2023 and signed on their behalf by:



Susan McFarlane - Director

1. Accounting policies

- a) These financial statements have been prepared for the 18 months period ended 31 March 2023 with comparatives for the year to 30 September 2021. During the period, the accounting reference date was extended to 31 March 2023 to align more closely with other Charities and our key local authorities' partners. Comparative numbers in the financial statements and related notes to the accounts are therefore not entirely comparable.

The financial statements have been prepared in accordance with FRS 102 "The Financial Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention.

As the Company (LSS) is a wholly owned subsidiary of the Charity, Living Streets, the Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Living Streets, within which this company is included, can be obtained from the address given in note 13.

The Company is exempt from the requirement of FRS 102 to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of Living Streets group and its cashflows are included within the consolidated cashflow statement of that body.

- b) Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable. The following criteria must also be met before turnover is recognised:

Sale of goods

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

- c) Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving, and defective stocks.
- d) The Financial Statements have been prepared on a going concern basis. The Directors assess whether the use of going concern is appropriate and have identified no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern.

Living Streets Services Limited**Notes to the financial statements (Continued)****For the 18-month period ended 31 March 2023****2. Turnover**

Turnover is attributable to the principal activity of the company.

	18-month period ended 31 March 2023 £	Year ended 30 September 2021 £
Sales	361,593	225,926
Scotland Sales (Commercial)	80,081	65,177
#WalkTo Sales	148,069	304,085
#WTSO Sales (Internal)	869,198	234,644
#Scotland & Wales Sales (Internal)	33,912	11,721
#Other Project Sales (Internal)	7,894	316,272
	<u>1,500,747</u>	<u>1,157,825</u>

3. Cost of sales

Intercompany Salary Recharge	255,163	165,288
Training, Staff	2,839	845
Purchase of Resources - Design	44,487	15,922
Purchase of Resources - Production Costs	526,162	308,870
Purchase of Resources - Fulfilment	173,499	144,849
Loss on stock write down	3,020	2,053
Marketing Costs	25,630	18,763
Postage and Carriage	9	-
Staff Travel & Subsistence Costs	1,108	45
Website Development & Support	31,200	1,800
Subscriptions, membership, and publications	595	35
	<u>1,063,712</u>	<u>658,470</u>

Staff costs

The company did not have direct staff during the year and for the prior year, as all staff were employed by the parent, Living Streets (The Pedestrians Association).

	18-month period ended 31 March 2023 £	Year ended 30 September 2021 £
4. Administrative expenses		
Telephone	-	225
Bank Charges	1,082	456
Irrecoverable VAT	113,748	60,530
Audit and Accountancy Fees	6,600	5,929
Bad Debt Provision/(Recovery)	(1,389)	-
Stock impairment losses/(reversal)	1,745	(17,494)
IT Support/Contract/Maintenance	-	14,760
Sundry Expenses	-	500
Consultants/Contractor Fees	410	-
	<u>122,196</u>	<u>64,906</u>

Living Streets Services Limited**Notes to the financial statements (Continued)****For the 18-month period ended 31 March 2023**

	18-month period ended 31 March 2023 £	Year ended 30 September 2021 £
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5. Operating profit

This is stated after charging:

Auditor's remuneration	5,750	3,904
Non audit fees (Preparation of Corporation Tax return)	850	2,025

One director received payment of £190,146 (2021: £90,456) as an employee of Living Streets (The Pedestrians Association), the Company's parent.

6. Taxation

No corporation tax is payable in the 18-month period as LSS donates all its profits to Living Streets, its ultimate parent undertaking. The total amount of profits is payable, nine months after the year end. In line with ICAEW Technical Release 'Tech16/14BL', the Company treats this donation as a distribution of reserves, and it is paid either pre year end or within 9 months of the year end. Any donation made in this manner is capped to the level of distributable reserves available. The Board is responsible for formally agreeing the amount to be distributed each year.

7. Stock

	18-month period ended 31 March 2023 £	Year ended 30 September 2021 £
Finished goods	173,418	80,239
Allowance for obsolete stock	(24,451)	(22,706)
	148,967	57,533

8. Debtors

Trade debtors	133,853	157,047
Less: provision for doubtful debts	(1,861)	(3,250)
	131,992	153,797
Amounts due from group companies	175,793	-
	307,785	153,797

Living Streets Services Limited

Notes to the financial statements (Continued)

For the 18-month period ended 31 March 2023

	18-month period ended 31 March 2023 £	Year ended 30 September 2021 £
9. Cash at bank and in hand	467,203	399,970
10. Creditors: amounts due within one year		
	£	£
Trade creditors	19,866	70,821
VAT payable	18,015	12,382
Accruals	3,600	4,683
Deferred income	432,829	86,917
Amounts due to group companies	134,805	2,047
	609,115	176,850
11. Share capital		
The company's share capital at the year-end was:	No.	No.
£1 ordinary shares:		
Called up, issued, and fully paid	1	1
12. Reserves	18-month period ended 31 March 2023 £	Year ended 30 September 2021 £
Balance as at 1 October 2021	434,449	231,624
Profit for the financial period ended 31 March 2023	314,839	434,449
Distribution made to parent company (Living Streets)	(434,449)	(231,624)
Balance as at 31 March 2023	314,839	434,449

13. Ultimate controlling party

The company's ultimate parent undertaking and controlling party is Living Streets (The Pedestrians Association), a registered charity (Charity number: 1108448) and company limited by guarantee (Company number: 05368409), with registered office address The Office Group, 133 Whitechapel High Street London, E1 7QA.

Living Streets Services Limited has taken advantage of the FRS 102 exemption not to disclose intra-group transactions.

The largest group in which the results of the company are consolidated is Living Streets (The Pedestrians Association). Copies of the consolidated financial statements are available from The Charity Commission.

Living Streets Services Limited Gift Aids available profits to its parent undertaking.