

ONLY CONNECT UK

England & Wales · Charity number 1116147

Details

Status Registered

Legal form Charitable company

Company number [05848399](#)

Registered 2006-09-19

Register [View on the Charity Commission register](#)

Contact

Address 32 Cubitt Street
London
WC1X 0LR

Phone 02072788939

Email info@onlyconnectuk.org

Website www.onlyconnectuk.org

Activities

Objects: TO ADVANCE THE EDUCATION AND PROSPECTS OF PRISONERS, EX-OFFENDERS AND YOUNG PEOPLE AT RISK OF CRIME IN LONDON, AND THEIR FAMILIES, THROUGH THE PROVISION OF ARTS PROJECTS AND PRODUCTIONS, PERSONAL DEVELOPMENT AND COMMUNITY ACTIVITIES.

Activities: To advance the education and prospects of prisoners, ex-offender and young people at risk of crime in London, and their families, through the provision of arts projects and productions, personal development, and community activities.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science, Economic/community Development/employment
- **Who:** Children/young People, Other Defined Groups

Geography

- **Area of benefit:** LONDON
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-30	£344,177	£368,412	-	-
2024-08-30	£463,852	£556,231	-	-
2023-08-30	£570,676	£564,242	£149,628	11
2022-08-30	£508,862	£450,960	£143,194	10
2021-08-30	£425,100	£399,119	-	-

Trustees

Name	Role	Appointed
Danny Kruger	Chair	2015-09-25
CHARLES TROTMAN		2023-07-24
Charlotte Dryer		2020-09-25
DIONNE TROTMAN		2023-07-24
OMOLARA JONAH		2021-04-05

ONLY CONNECT UK

England & Wales - Charity number 1116147

Accounts

Only Connect UK
Report and Financial Statements

For the year ended 31 August 2025

Company number: 05848399

Registered charity number:
1116147

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Reference and Administrative Details

Name: Only Connect UK, also using Only Connect

Board of Trustees

Danny Kruger MP, Chair

Emma Kruger

Dionne Trotman

Charlotte Dryer

Omolarah Jonah

Charles Trotman

Company Secretary

Simon Pellew / Martin Brett

Examiner

Zachary Ramsden

Number C011002915 regulated by the Institute of Chartered Accountants

Registered Office

32 Cubitt Street

London

WC1X 0LR

T: 020 7278 8939

E: info@onlyconnectuk.org

Registered charity no. 1116147

Company limited by guarantee, company no. 05848399

Board of Trustees' report

Objectives

Our vision is a more connected society where we all choose a crime-free life. Our mission is to enable people with experience of the criminal justice system to live flourishing lives.

Only Connect works with Londoners aged 18 and over who are either serving custodial sentences, have completed their custodial sentence or are on license in the community, and are looking to find work or build up their skills.

Review of activities

2025 has been a year of consolidation at Only Connect. Our 20th year saw the retirement of our long-standing CEO, Simon Pellow. Simon's principal legacy is the Love & Money project, which now forms the core of our work in HMP Wormwood Scrubs and HMP/YOI Feltham.

The Love & Money project works with young men, through-the-gate, to equip them with the skills to sustain positive professional and personal relationships, manage their money appropriately, and find and keep rewarding, legitimate employment. The project consists of one-to-one and group work, including arts-based and kinesthetic techniques as well as the use of workbooks and written exercises, and visits from employers and entrepreneurs. The work also involves contact with participants' partners, parents and children where appropriate.

In tandem with the Love & Money course, OC is building a network of entrepreneurs and sponsors who support our work with their own love and money – time, expertise and financial support.

Only Connect is supported by a combination of philanthropy and earned income from our social enterprise, the co-working space we run from our HQ in Cubitt St., WC1.

Risks

The most substantial risk the charity faces is financial. This is substantially mitigated by the social enterprise which covers the full costs of the 'back office' i.e. office space and administrative support. The front-line work can flex according to resources.

We are at risk of the withdrawal of support and permission by the prisons we work in, in consequence either of policy change (at regional or national level, or in the prison itself); or of

mistakes - accidental breaches of security protocols - made by our staff or volunteers. These risks are reduced due to the very long relationships we have with the prisons and the very strict training we provide our staff and volunteers.

We mitigate the risk of conflict between ex-offenders meeting at our base through liaison with the probation service, and assessment of individuals' gang affiliation.

Financial Overview

Income and Expenditure

Only Connect had two main sources of income: rental income and donations from trusts. The rental income was £238,210, a decrease of £10,713 from the previous year (£248,923). The rental income covers the direct building costs of £131,330.

Fundraising from trusts generated £83,250 and from individuals £22,326. We would like to thank the following trusts for their generous support:

S E Franklin's Charitable Trust No 3

The City London Solicitors Trust

The Alchemy Foundation

The Vandervell Foundation

The Jean And Gordon Roberts Charitable Trust

The Rhiannon Trust

The Gosling Foundation

The Hadley Trust

The Marsh Charitable Trust

The Grace Trust

The 29th May 1961 Charitable Trust

St Andrews Holborn

Thomas Sivewright Catto

Inner London Magistrates' Court Poor Box

The Jean And Gordon Roberts Charitable Trust

Overall, in 2024-25 Only Connect made a loss of £24,235 compared to the previous year's loss of £92,376.

Reserves

In the trustees' view reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. We consider we should have at least 3 months reserves to cover operating costs, or, in the event of closure, sufficient funds to meet all the charity's obligations, including redundancy. Only Connect has cut costs and increased its income from the co-working space.

Our unrestricted reserves were £33,014. Given the uncertainties we face, as outlined in the Risks section, the trustees consider this level of reserves to be low and they are aiming to build up the reserves to about £100,000.

Going concern

The trustees have considered the risks facing Only Connect for the coming year. They recognise that Only Connect's reserves are too low, but they have developed a strategy, focused on a big donor programme using contacts of the trustees, to address this issue.

Structure, governance and management

Formation and structure of the Charity

Only Connect UK was incorporated as a Company Limited by Guarantee on 16 June 2006 and registered as a Charity on 19 September 2006.

Its objectives, as stated in its memorandum of association, are: 'To advance the education and prospects of prisoners, ex-offenders and young people at risk of crime in London, and their families, through the provision of arts projects and productions, personal development and community activities.'

We have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set, taking account of the available guidance on public benefit. The trustees are satisfied that Only Connect's work should lead to a reduction in offending, and this benefits the public.

Governance

The management of the company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The Trustee board meets at least four times a year and monitors progress against goals and targets that flow from the strategic plan set by the Trustee board.

Day to day management is delegated to the chief executive officer. This is in line with our stated delegations of authority; the Trustee board is involved in all material decisions including but not limited to:

- pre-approval of annual budgets
- signing of leases and other issues pertaining to property
- strategic partnerships and significant donor relations
- substantial contracts and other agreements
- appointment of auditors, solicitors and other advisors
- appointment and remuneration of senior staff

Trustees responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

Under company law the Trustees 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 Trustees 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.
- observe the methods and principles in the Charities SORP;

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 have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees 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.

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The charitable company qualifies as small under section 383 of The Companies Act 2006 and so no strategic report has been prepared, which is a requirement of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulation 2013.

Policies adopted for the induction and training of trustees

All new trustees are taken through a trustee induction process carried out by the Chair of the board and as part of this they are introduced to their responsibilities and the key company policies.

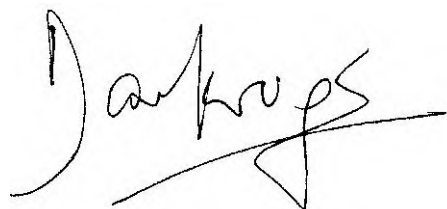
Pay policy for senior staff

Senior management (directors and above) are remunerated in line with sector benchmarks (reviewed annually) and all senior staff appointments, pay and award changes are approved by the board of trustees.

Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to control and mitigate the charitable company's exposure to the major risks. The major risks facing the charity have been outlined above.

Signed on behalf of the Board of Trustees

A handwritten signature in black ink, appearing to read 'Danny Kruger', with a long horizontal stroke extending to the right.

Danny Kruger

Only Connect UK

Trustees' report

18/02/2026

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ONLY CONNECT UK ("THE COMPANY")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2025.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: *Zachary Ramsden*

Name: Zachary Ramsden FCA

Chartered Accountant

63 Deakin Leas, Tonbridge, Kent TN9 2JT

Date 24th March 2026

ONLY CONNECT UK
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2025

Current financial year

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
INCOME FROM:					
Donations and legacies	4	63,276	42,300	105,576	213,401
Charitable activities	5	238,210	-	238,210	248,923
Other income		391	-	391	1,528
Total income and endowments:		<u>301,877</u>	<u>42,300</u>	<u>344,177</u>	<u>463,852</u>
EXPENDITURE ON:					
Raising funds	6	237,082	-	237,082	251,093
Charitable activities	7	89,030	42,300	131,330	305,138
Total expenditure		<u>326,112</u>	<u>42,300</u>	<u>368,412</u>	<u>556,231</u>
Net income/(expenditure)		(24,235)	-	(24,235)	(92,379)
Transfer between funds		-	-	-	-
Net movement in funds		<u>(24,235)</u>	<u>-</u>	<u>(24,235)</u>	<u>(92,379)</u>
Reconciliation of funds:					
Total funds brought forward		57,249	-	57,249	149,628
Total funds carried forward		<u><u>33,014</u></u>	<u><u>-</u></u>	<u><u>33,014</u></u>	<u><u>57,249</u></u>

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

All income and expenditure derive from continuing operations.

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

The notes on page 13-18 form part of these accounts.

ONLY CONNECT UK
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2024

Prior financial year

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
INCOME FROM:					
Donations and legacies	4	155,901	57,500	213,401	281,731
Charitable activities	5	248,923	-	248,923	288,102
Other income		1,528	-	1,528	843
Total income and endowments:		<u>406,352</u>	<u>57,500</u>	<u>463,852</u>	<u>570,676</u>
EXPENDITURE ON:					
Raising funds	6	251,093	-	251,093	251,093
Charitable activities	7	228,533	76,605	305,138	305,138
Total expenditure		<u>479,626</u>	<u>76,605</u>	<u>556,231</u>	<u>556,231</u>
Net income/(expenditure)		-73,274	(19,105)	-92,379	14,445
Transfer between funds		-	-	-	-
Net movement in funds		<u>-73,274</u>	<u>(19,105)</u>	<u>-92,379</u>	<u>14,445</u>
Reconciliation of funds:					
Total funds brought forward		130,523	19,105	149,628	143,194
Total funds carried forward		<u><u>57,249</u></u>	<u><u>-</u></u>	<u><u>57,249</u></u>	<u><u>157,639</u></u>

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

All income and expenditure derive from continuing operations.

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

The notes on page 13-18 form part of these accounts.

**ONLY CONNECT UK
BALANCE SHEET
AS AT 31 AUGUST 2025**

	Note	Total funds 2025 £	Total funds 2024 £
FIXED ASSETS			
Tangible fixed assets	12	563	750
CURRENT ASSETS			
Debtors	13	19,634	19,500
Cash at bank and in hand		48,116	89,900
		<u>67,750</u>	<u>109,400</u>
CREDITORS			
Amounts falling due in less than one year	15	(10,914)	(23,116)
NET CURRENT ASSETS		<u>56,836</u>	<u>86,284</u>
CREDITORS			
Amounts falling due after more than one year	16	(24,385)	(29,785)
NET ASSETS		<u><u>33,014</u></u>	<u><u>57,249</u></u>
FUND BALANCES			
Unrestricted funds		33,014	57,249
Restricted funds	18	-	-
TOTAL FUNDS		<u><u>33,014</u></u>	<u><u>57,249</u></u>

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31st August 2025.

The members have not required the company to obtain and audit of the financial statements for the year ended 31st August 2025 in accordance with section 476 of the Companies Act 2006 however, in accordance with Section 145 of the Charities Act 2011, the accounts have been examined by an independent examiner, and their report has been included in these financial statements.

The directors (who are the charitable company's trustees for the purposes of charity law) acknowledge their responsibilities for:

(a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its net income and expenditure for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Directors and were signed on its behalf by:

Danny Kruger

Date: 19th March 2026

The notes on page 13-18 form part of these accounts.

**ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1 Statutory Information

The charity is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office is 32 Cubitt Street, London, WC1X 0LR.

2 Accounting Policies

a) Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

b) Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

c) 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 financial statements.

d) 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.

e) 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. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and overhead costs that cannot be easily allocated to particular cost centres. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

f) Tangible fixed assets

Assets costing more than £1,000 are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

g) 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.

h) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

i) Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

3 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4. Donations and legacies	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Donations and gifts	22,326	-	22,326	14,545	-	14,545
Grants and Trusts income	40,950	42,300	83,250	141,356	57,500	198,856
	<u>63,276</u>	<u>42,300</u>	<u>105,576</u>	<u>155,901</u>	<u>57,500</u>	<u>213,401</u>

5. Charitable activities

	2025	2024
	£	£
Services provided under contract	-	15,113
Rental income	238,210	233,810
	<u>238,210</u>	<u>248,923</u>

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

6. Raising funds	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
<u>Fundraising and other trading</u>						
Staff costs	93,074	-	93,074	96,351	-	96,351
Property costs	134,176	-	134,176	137,518	-	137,518
Share of support costs (note 8)	9,832	-	9,832	17,224	-	17,224
Total	237,082	-	237,082	251,093	-	251,093

7. Charitable activities	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Staff costs	43,175	42,300	85,475	147,285	76,605	223,890
Other direct costs	6,528	-	6,528	12,354	-	12,354
Share of support costs (note 8)	39,327	-	39,327	68,894	-	68,894
Total	89,030	42,300	131,330	228,533	76,605	305,138

8. Support costs	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Marketing and IT	7,746	-	7,746	8,809	-	8,809
Office costs	4,888	-	4,888	7,406	-	7,406
Staff costs	25,038	-	25,038	57,671	-	57,671
Insurance	1,944	-	1,944	2,184	-	2,184
Legal and professional	5,193	-	5,193	5,735	-	5,735
Bank charges and interest	1,458	-	1,458	1,508	-	1,508
Depreciation	188	-	188	250	-	250
Other costs	2,704	-	2,704	2,555	-	2,555
	49,159	-	49,159	86,118	-	86,118
Allocation						
Raising funds (20%)	9,832	-	9,832	17,224	-	17,224
Charitable activities (80%)	39,327	-	39,327	68,894	-	68,894
	49,159	-	49,159	86,118	-	86,118

Legal and professional fees includes independent examination fees of £1,350 (2024 £1,350).

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

9. Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2024: None)

10. Employees

The average monthly number of employees during the year was 5 (2024 -11).

11. Employees

Employment costs	2025	2024
	£	£
Wages and salaries	179,458	339,695
Social security costs	11,487	28,479
Other pension costs	5,384	9,738
	<u>196,329</u>	<u>377,912</u>

The employee benefits of Key Management Personnel were £23,572 (2024 - £53,572).

There were no employees whose annual remuneration was more than £60,000.

12. Tangible fixed assets

Fixtures and fittings

Cost	
At 1 September 2024	15,285
Additions	-
At 31 August 2025	<u>15,285</u>
Depreciation	
At 1 September 2024	14,535
Depreciation in the year	187
At 31 August 2025	<u>14,722</u>
Carrying amount	
At 31 August 2025	<u>563</u>
At 31 August 2024	<u>750</u>

13. Debtors

Amounts falling due within one year	2025	2024
	£	£
Trade debtors	4,233	2,830
Other debtors	375	116
Prepayments and accrued income	15,026	16,554
	<u>19,634</u>	<u>19,500</u>

14. Loans and overdrafts

	2025	2024
	£	£
Bank loans	<u>29,630</u>	<u>35,185</u>
Payable within one year	5,245	5,400
Payable after one year	<u>24,385</u>	<u>29,785</u>

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

15. Creditors: amounts falling due within one year	2025	2024
	£	£
Bank loans	5,245	5,400
Other taxation and social security	2,125	7,180
Trade creditors	6	2,361
Other creditors	875	3,946
Accruals and deferred income	2,663	4,229
	<u>10,914</u>	<u>23,116</u>

16. Creditors: amounts falling due after more than one year	2025	2024
	£	£
Bank loans	<u>24,385</u>	<u>29,785</u>

17. Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees.

The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge in respect of defined contribution schemes was £5,384 (2024 £9,738).

18. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes.

	Movement in funds			Movement in funds			
	Balance at 1.9.23	Income	Expenses	Balance at 1.9.24	Income	Expenses	Balance at 31.8.25
Operations	-	-	-	-	-	-	-
Music	-	5,000	(5,000)	-	-	-	-
Relationships	-	10,000	(10,000)	-	25,800	(25,800)	-
Young people	13,500	19,000	(32,500)	-	-	-	-
Geographical	5,605	23,500	(29,105)	-	16,500	(16,500)	-
	<u>19,105</u>	<u>57,500</u>	<u>(76,605)</u>	<u>-</u>	<u>42,300</u>	<u>(42,300)</u>	<u>-</u>

Operations - our work with prisoners and released prisoners.

Music – our music provision is a 6 week course, a 2 day course and one-to-one support.

Relationships – we have run our course Love & Money in HMPs Feltham and Wormwood Scrubs.

Young people – about half our Members are under 26. We allocate restricted funding on a pro rata basis.

Geographical restriction - some funding is restricted to particular areas, such as West London or parts of Camden and Islington. This is allocated on a pro rata basis.

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

19. Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
<u>Fund balances at</u>						
<u>31st August 2024 are</u>						
<u>represented by:</u>						
Tangible assets	563	-	563	750	-	750
Current assets/liabilities	56,836	-	56,836	86,284	-	86,284
Long term liabilities	(24,385)	-	(24,385)	(29,785)	-	(29,785)
	<u>33,014</u>	<u>-</u>	<u>33,014</u>	<u>57,249</u>	<u>-</u>	<u>57,249</u>

20. Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year		72,000
Between 1 and 5 years	<u>72,000</u>	

21. Related party transactions

There were no related party transactions in the year (2024 - none).

ONLY CONNECT UK

England & Wales - Charity number 1116147

Accounts

Only Connect UK
Report and Financial Statements

For the year ended 31 August 2024

Company number: 05848399

Registered charity number: 1116147

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Reference and Administrative Details

Name: Only Connect UK, also using Only Connect

Board of Trustees

Danny Kruger MP, Chair

Emma Kruger

Dionne Trotman

Charlotte Dryer

Omolarah Jonah

Charles Trotman

Company Secretary

Simon Pellew

Independent Examiner

Zachary Ramsden FCA

Registered Office

32 Cubitt Street

London

WC1X 0LR

T: 020 7278 8939

E: info@onlyconnectuk.org

Registered charity no. 1116147

Company limited by guarantee, company no. 05848399

Board of Trustees' report

1.1 Objectives and Activities & Achievements and Performance

Objectives

Our vision is a more connected society where we all choose a crime-free life. Our mission is to enable people with experience of the criminal justice system to live flourishing lives.

Only Connect works with Londoners aged 18 and over who are either serving custodial sentences, have completed their custodial sentence or are on license in the community, and are looking to find work or build up their skills.

Review of activities

Over the last year we have been working on developing our model – Love & Money, a holistic approach to preparing prisoners for release. It has three components: a course on relationships (Love & Money), weekly keyworking, usually for about 12 weeks, and a course on employability (and keeping the job), called On Point. We then continue working with the prisoners after they have been released. In addition, we take referrals from probation, mainly of people who are on license.

For 2023-24 we had 609 referrals, a substantial increase from the 474 in 2022-23. Of these referrals, we enrolled 465, with 305 (66%) being in prison.

We worked with 525 (compared to 436 in the previous year), of which 416 (79%) engaged (defined as doing 1 or more sessions with their keyworker).

Of the people who engaged and were closed while in the community (i.e. excluding people who were closed while still in prison, usually because they were moved to another prison), 17% achieved a job outcome, and 9% started training courses. This latter figure is disappointingly low, and may be the result of the closure of training providers offering CSCS cards (the building site mandatory health & safety qualification).

We have increased the number of courses being run in HMP Feltham, and we are aiming for 2024-25 to run both courses every six to eight weeks. We continue to run the courses quarterly in HMP Wormwood Scrubs, mainly because there are relatively few convicted prisoners being released. We were also working in HMP Isis, but due to staff changes (see below), we have had to stop. However, the prison regime in HMP Isis made running courses very difficult, and we will be looking to start in a new prison in 2025.

The use of the building for co-working space has done well, with an average void rate of 19% (21% in the previous year). The building covers all its costs and contributes £27,866 towards the charity's administration costs.

Sadly, fundraising has become very difficult over the last two years. Our fundraising success rate to grant making trusts has fallen from 35% in 2022 to about 5% this year. We are unsure of the cause, but we think it is partly caused by a shift in priorities of many trusts towards more campaigning organisations and those with a particular focus on ethnicity. The reduction in our income from trusts has meant that we have had to close the music course and reduce our keyworking.

Risks

The most substantial risk the charity faces is failure to generate enough income.

The building continues to generate risk, mainly because of the risk of unexpected maintenance costs.

A third risk is building users clashing. There are two criminal justice charities using the building. Each brings in clients, and Only Connect assesses the risk of clashes between participants belonging to antagonistic gangs. This risk assessment can never be definite, and we remain aware of the problems this area could cause.

Financial Overview

Income and Expenditure

Only Connect had three main sources of income: rental income, statutory grants and donations from trusts. The rental income was £233,810, an increase of £18,207 from the previous year (£215,603). The rental income covers the direct building costs £205,948 (£199,085).

During the year, OC's statutory contracts all finished. We had hoped that we would obtain some funding from the prisons, but there have been no contracts available.

Fundraising from trusts generated £198,856 (£158,350) and from individuals £14,295 (£6,405). We would like to thank the following trusts for their generous support:

The Alchemy Foundation
Belpech Charitable Trust
The Boltini Trust
Chesterhill Charitable Trust Limited
S E Franklin's Charitable Trust No 3
Garfield Weston Foundation
The Grace Trust
The Hardy Family Foundation
Hedley Foundation Limited
Imagine
Inner London Magistrates' Court Poor Box
The Jean And Gordon Roberts Charitable Trust
The Marsh Charitable Trust
The Oakdale Trust
The Peter Stebbings Memorial Charity
The Sir James Roll Charitable Trust
St Andrew Holborn And Stafford's Charity
The Swire Charitable Trust
The William Allen Young Charitable Trust

The expenditure on Operations (the work with prisoners and ex-prisoners, including the music project) was £237,474 (£255,000) on payroll, and £12,521 (£16,600) on other costs. Expenditure on fundraising was £44,511 (£47,500) and administration was £54,265 (£46,500).

Overall, Only Connect made a loss of £92,379, compared to the previous year's surplus of £6,434.

Reserves

In the trustees' view reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. We consider we should have at least 3 months reserves to cover operating costs, or, in the event of closure, sufficient funds to meet all the charity's obligations, including redundancy (£21,587). Only Connect has cut costs and increased its income from the co-working space. It now has a fundraising target of £11,000 per month, which the trustees consider realistic, although this needs close monitoring.

Our unrestricted reserves were £57,249 (£130,523) (equivalent to 1.5 months) and we have paid back £5,556 of our Bounceback loan, leaving a debt of £35,185. Given the uncertainties we face, as outlined in the Risks section, the trustees consider this level of reserves to be low and they are aiming to build up the reserves to about £105,000, equivalent to 3 months' expenditure.

Going concern

The trustees have considered the risks facing Only Connect for the coming year. They recognise that Only Connect's reserves are too low, but they have developed a strategy, focused on a big donor programme using contacts of the trustees, to address this issue. The trustees have also made four staff redundant to reduce running costs. In the light of this, they consider that Only Connect is a going concern.

1.2 Structure, governance and management

Formation and structure of the Charity

Only Connect UK was incorporated as a Company Limited by Guarantee on 16 June 2006 and registered as a Charity on 19 September 2006.

Its objectives, as stated in its memorandum of association, are: 'To advance the education and prospects of prisoners, ex-offenders and young people at risk of crime in London, and their families, through the provision of arts projects and productions, personal development and community activities.

We have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set, taking account of the available guidance on public benefit. The trustees are satisfied that Only Connect's work should lead to a reduction in offending, and this benefits the public.

Governance

The management of the company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The Trustee board meets at least four times a year and monitors progress against goals and targets that flow from the strategic plan set by the Trustee board.

Day to day management is delegated to the chief executive officer. This is in line with our stated delegations of authority; the Trustee board is involved in all material decisions including but not limited to:

- pre-approval of annual budgets

- signing of leases and other issues pertaining to property
- strategic partnerships and significant donor relations
- substantial contracts and other agreements
- appointment of auditors, solicitors and other advisors
- appointment and remuneration of senior staff

Trustees responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

Under company law the Trustees 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 Trustees 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.
- observe the methods and principles in the Charities SORP;

The Trustees 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.

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The charitable company qualifies as small under section 383 of The Companies Act 2006 and so no strategic report has been prepared, which is a requirement of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulation 2013.

Policies adopted for the induction and training of trustees

All new trustees are taken through a trustee induction process carried out by the Chair of the board and as part of this they are introduced to their responsibilities and the key company policies.

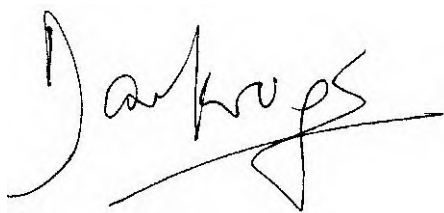
Pay policy for senior staff

Senior management (directors and above) are remunerated in line with sector benchmarks (reviewed annually) and all senior staff appointments, pay and award changes are approved by the board of trustees.

Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to control and mitigate the charitable company's exposure to the major risks. The major risks facing the charity have been outlined above.

Signed on behalf of the Board of Trustees

A handwritten signature in black ink, appearing to read 'Danny Kruger', with a long horizontal stroke extending to the right.

Danny Kruger

Only Connect UK

07/12/2024

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ONLY CONNECT UK ("THE COMPANY")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: Zachary Ramsden
Name: Zachary Ramsden FCA
Chartered Accountant
63 Deakin Leas, Tonbridge, Kent TN9 2JT
Date 15.12.24

ONLY CONNECT UK
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2024

Current financial year

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
INCOME FROM:					
Donations and legacies	4	155,901	57,500	213,401	281,731
Charitable activities	5	248,923	-	248,923	288,102
Other income		1,528	-	1,528	843
Total income and endowments:		<u>406,352</u>	<u>57,500</u>	<u>463,852</u>	<u>570,676</u>
EXPENDITURE ON:					
Raising funds	6	251,093	-	251,093	239,431
Charitable activities	7	228,533	76,605	305,138	324,811
Total expenditure		<u>479,626</u>	<u>76,605</u>	<u>556,231</u>	<u>564,242</u>
Net income/(expenditure)		(73,274)	(19,105)	(92,379)	6,434
Transfer between funds		-	-	-	-
Net movement in funds		<u>(73,274)</u>	<u>(19,105)</u>	<u>(92,379)</u>	<u>6,434</u>
Reconciliation of funds:					
Total funds brought forward		130,523	19,105	149,628	143,194
Total funds carried forward		<u><u>57,249</u></u>	<u><u>-</u></u>	<u><u>57,249</u></u>	<u><u>149,628</u></u>

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

All income and expenditure derive from continuing operations.

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

The notes on page 13-18 form part of these accounts.

ONLY CONNECT UK
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2023

Prior financial year

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:					
Donations and legacies	4	132,255	149,476	281,731	219,223
Charitable activities	5	288,102	-	288,102	288,630
Other income		843	-	843	1,009
Total income and endowments:		<u>421,200</u>	<u>149,476</u>	<u>570,676</u>	<u>508,862</u>
EXPENDITURE ON:					
Raising funds	6	239,431		239,431	207,463
Charitable activities	7	167,844	156,967	324,811	243,497
Total expenditure		<u>407,275</u>	<u>156,967</u>	<u>564,242</u>	<u>450,960</u>
Net income/(expenditure)		13,925	(7,491)	6,434	57,902
Transfer between funds		-	-	-	-
Net movement in funds		<u>13,925</u>	<u>(7,491)</u>	<u>6,434</u>	<u>57,902</u>
Reconciliation of funds:					
Total funds brought forward		116,598	26,596	143,194	85,292
Total funds carried forward		<u><u>130,523</u></u>	<u><u>19,105</u></u>	<u><u>149,628</u></u>	<u><u>143,194</u></u>

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

All income and expenditure derive from continuing operations.

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

The notes on page 13-18 form part of these accounts.

**ONLY CONNECT UK
BALANCE SHEET
AS AT 31 AUGUST 2024**

	Note	Total funds 2024 £	Total funds 2023 £
FIXED ASSETS			
Tangible fixed assets	12	750	1,000
CURRENT ASSETS			
Debtors	13	19,500	48,281
Cash at bank and in hand		89,900	156,221
		<u>109,400</u>	<u>204,502</u>
CREDITORS			
Amounts falling due in less than one year	15	(23,116)	(20,533)
NET CURRENT ASSETS		<u>86,284</u>	<u>183,969</u>
CREDITORS			
Amounts falling due after more than one year	16	(29,785)	(35,341)
NET ASSETS		<u><u>57,249</u></u>	<u><u>149,628</u></u>
FUND BALANCES			
Unrestricted funds		57,249	130,523
Restricted funds	18	-	19,105
TOTAL FUNDS		<u><u>57,249</u></u>	<u><u>149,628</u></u>

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31st August 2024.

The members have not required the company to obtain and audit of the financial statements for the year ended 31st August 2024 in accordance with section 476 of the Companies Act 2006 however, in accordance with Section 145 of the Charities Act 2011, the accounts have been examined by an independent examiner, and their report has been included in these financial statements.

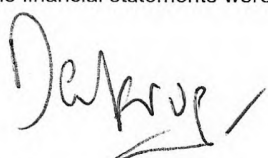
The directors (who are the charitable company's trustees for the purposes of charity law) acknowledge their responsibilities for:

(a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its net income and expenditure for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Directors and were signed on its behalf by:



Date: 12/12/2024

The notes on page 13-18 form part of these accounts.

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

1 Statutory Information

The charity is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office is 32 Cubitt Street, London, WC1X 0LR.

2 Accounting Policies

a) Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

b) Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

c) 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 financial statements.

d) 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.

e) 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. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and overhead costs that cannot be easily allocated to particular cost centres. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

f) Tangible fixed assets

Assets costing more than £1,000 are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

g) 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.

h) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

i) Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

3 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4. Donations and legacies	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations and gifts	14,545		14,545	6,905		6,905
Grants and Trusts income	141,356	57,500	198,856	125,350	149,476	274,826
	<u>155,901</u>	<u>57,500</u>	<u>213,401</u>	<u>132,255</u>	<u>149,476</u>	<u>281,731</u>

5. Charitable activities

	2024 £	2023 £
Services provided under contract	15,113	72,499
Rental income	233,810	215,603
	<u>248,923</u>	<u>288,102</u>

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

6. Raising funds	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
<u>Fundraising and other trading</u>						
Staff costs	96,351		96,351	87,446		87,446
Property costs	137,518		137,518	135,411		135,411
Share of support costs (note 8)	17,224		17,224	16,574		16,574
Total	251,093	-	251,093	239,431	-	239,431

7. Charitable activities	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Staff costs	147,285	76,605	223,890	85,724	156,967	242,691
Other direct costs	12,354		12,354	15,822		15,822
Share of support costs (note 8)	68,894		68,894	66,298		66,298
Total	228,533	76,605	305,138	167,844	156,967	324,811

8. Support costs	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Marketing and IT	8,809		8,809	8,949		8,949
Office costs	7,406		7,406	6,397		6,397
Staff costs	57,671		57,671	54,150		54,150
Insurance	2,184		2,184	2,064		2,064
Legal and professional	5,735		5,735	9,268		9,268
Bank charges and interest	1,508		1,508	1,395		1,395
Depreciation	250		250	367		367
Other costs	2,555		2,555	282		282
	86,118	-	86,118	82,872	-	82,872
Allocation						
Raising funds (20%)	17,224		17,224	16,574		16,574
Charitable activities (80%)	68,894		68,894	66,298		66,298
	86,118	-	86,118	82,872	-	82,872

Governance costs includes independent examination fees of £1,350 (2023 £2,220).

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

9. Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2023: None)

10. Employees

The average monthly number of employees during the year was 11 (2023 -11).

11. Employees

	2024	2023
	£	£
Employment costs		
Wages and salaries	339,695	347,445
Social security costs	28,479	28,088
Other pension costs	9,738	8,755
	<u>377,912</u>	<u>384,288</u>

The remuneration of Key Management Personnel was £53,572 (2023 - £52,011).
There were no employees whose annual remuneration was more than £60,000.

12. Tangible fixed assets

Fixtures and fittings

Cost	
At 1 September 2023	15,285
Additions	-
At 31 August 2024	<u>15,285</u>
Depreciation	
At 1 September 2023	14,285
Depreciation in the year	250
At 31 August 2024	<u>14,535</u>
Carrying amount	
At 31 August 2024	<u>750</u>
At 31 August 2023	<u>1,000</u>

13. Debtors

	2024	2023
	£	£
Amounts falling due within one year		
Trade debtors	2,830	3,712
Other debtors	116	196
Prepayments and accrued income	16,554	44,373
	<u>19,500</u>	<u>48,281</u>

14. Loans and overdrafts

	2024	2023
	£	£
Bank loans	<u>35,185</u>	<u>40,741</u>
Payable within one year	5,400	5,400
Payable after one year	<u>29,785</u>	<u>35,341</u>

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

15. Creditors: amounts falling due within one year	2024	2023
	£	£
Bank loans	5,400	5,400
Other taxation and social security	7,180	7,774
Trade creditors	2,361	629
Other creditors	3,946	1,636
Accruals and deferred income	4,229	5,094
	<u>23,116</u>	<u>20,533</u>

16. Creditors: amounts falling due after more than one year	2024	2023
	£	£
Bank loans	<u>29,785</u>	<u>35,341</u>

17. Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees.

The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge in respect of defined contribution schemes was £9,738 (2023 £8,755).

18. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes.

	Movement in funds			Movement in funds			
	Balance at 1.9.22	Income	Expenses	Balance at 1.9.23	Income	Expenses	Balance at 31.8.24
Operations	10,000	96,476	(106,476)	-	-	-	-
Music	2,777	3,000	(5,777)	-	5,000	(5,000)	-
Relationships	3,819	10,000	(13,819)	-	10,000	(10,000)	-
Young people	10,000	20,000	(16,500)	13,500	19,000	(32,500)	-
Geographical	-	20,000	(14,395)	5,605	23,500	(29,105)	-
	<u>26,596</u>	<u>149,476</u>	<u>(156,967)</u>	<u>19,105</u>	<u>57,500</u>	<u>(76,605)</u>	<u>-</u>

Operations - our work with prisoners and released prisoners.

Music – our music provision is a 6 week course, a 2 day course and one-to-one support.

Relationships – we have run our course Love & Money in HMPs Feltham and Wormwood Scrubs.

Young people – about half our Members are under 26. We allocate restricted funding on a pro rata basis.

Geographical restriction - some funding is restricted to particular areas, such as West London or parts of Camden and Islington. This is allocated on a pro rata basis.

ONLY CONNECT UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
<u>Fund balances at</u>						
<u>31st August 2024 are</u>						
<u>represented by:</u>						
Tangible assets	750		750	1,000		1,000
Current assets/liabilities	86,284	-	86,284	164,864	19,105	183,969
Long term liabilities	(29,785)		(29,785)	(35,341)		(35,341)
	<u>57,249</u>	<u>-</u>	<u>57,249</u>	<u>130,523</u>	<u>19,105</u>	<u>149,628</u>

20. Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year		<u>120,000</u>
Between 1 and 5 years	<u>72,000</u>	

21. Related party transactions

There were no related party transactions in the year (2023 - none).

ONLY CONNECT UK

England & Wales - Charity number 1116147

Accounts

Only Connect UK Report and Financial Statements

For the year ended 31 August 2023

Company number: 05848399

Registered charity number: 1116147

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Reference and Administrative Details

Name: Only Connect UK, also using Only Connect

Board of Trustees

Danny Kruger MP, Chair

Emma Kruger

Charlotte Dryer

Omolarah Jonah

Catharine Dawkins (resigned 28 October 2022)

Charles Trotman (appointed 24 June 2023)

Dionne Trotman (appointed 24 July 2023)

Company Secretary

Simon Pellew

Registered Office

32 Cubitt Street

London

WC1X 0LR

Examiner

Frances Wilde FCCA

www.warnerwilde.co.uk

T: 0207 278 8939

E: info@onlyconnectuk.org

Registered charity no. 1116147

Company limited by guarantee

Company no. 05848399

Board of Trustees' report

1.1 Objectives and Activities & Achievements and Performance

Objectives

Our vision is a more connected society where we all choose a crime-free life. Our mission is to enable people with experience of the criminal justice system to live flourishing lives.

Only Connect works with Londoners aged 18 and over who are either serving custodial sentences, or who have concluded their sentence and are looking to grow new skills and rebuild their confidence.

Review of activities

Only Connect has worked with 444 people in the year, a considerable increase from 2021-22 of 377. Of these, 54% were under 26. About a third of Members achieve a job or training; so is a slight decrease from the previous year and may be a result of staff turnover.

Over the last two years we have been developing two courses to prepare prisoners for release. One course, Love & Money, was run seven times in Feltham, Pentonville and Wormwood Scrubs. It is highly effective at getting the men to discuss issues, such as relationships or their feelings about money, in ways that are unusually frank. This provides a stronger basis for the keyworking. The second course, On Point, is an adaption of OC's employability course. We have introduced a session on workplace relationships because we see so many released prisoners find work, but then losing their jobs because they cannot cope with being given instructions by a boss.

We have also been improving our evaluation by conducting a longitudinal survey (3 surveys about 10 weeks apart) into the Members self-efficacy around relationships, money, health, use of time, motivation and re-offending. The survey has shown that all participants improve over their keyworking, but the improvement is least over money. As a result, we have introduced new training for the keyworkers in this area.

The music project continues to run well although we have some difficulty in filling our courses. This is partly because we need to be careful to ensure that people from rival gangs are not on the same course, as this may lead to violence.

Risks

The most substantial risk the charity faces is from the building. The trustees of our landlord, another charity, have said they would like to increase the rent. We have argued this would cause us serious financial difficulties, and, for now, the discussions are in abeyance.

The second risk is building users clashing. There are now three criminal justice charities using the building. Each brings in clients, and Only Connect has to assess the risk of clashes between participants belonging to antagonistic gangs.

The third risk is key staff leaving. We are very dependent on the managers each of whom provides considerable expertise. It is hard to mitigate this risk.

Lastly, our statutory contracts have ceased and we are more reliant on trust fundraising. This is increasing the level of uncertainty over income.

Financial Overview

Income and Expenditure

Only Connect had three main sources of income: rental income, statutory grants and donations from trusts. The rental income was £215,603, an increase of £15,000 from the previous year (£199,143). The rental income covers the direct building costs (£199,085).

OC had three statutory contracts: CFO3 (£72,499), Mayor's Academy (£96,476) and EQUIP (£20,000). The CFO3 was scheduled to end on 31 Aug 2023, but was extended to 31 Dec 2023. The Mayor's Academy finished on 31 August and EQUIP finished on 31 Jan 2023.

Fundraising from trusts generated £158,350. We would like to thank the following trusts for their generous support:

1772 - Debtors' Relief Funds Charity
Belpech Charitable Trust
Chapman Charitable Trust
Chesterhill Charitable Trust Limited
Highway One Trust
Inner London Magistrates' Court Poor Box
Lord Barnby's Foundation
Souter Charitable Trust
St Andrew Holborn And Stafford's Charity
The 29th May 1961 Charity
The Austin And Hope Pilkington Trust
The D'Oyly Carte Charitable Trust
The Dischma Charitable Trust
The Gosling Foundation Limited
The Hobson Charity Limited
The Marsh Charitable Trust
The Peter Stebbings Memorial Charity
The Sackler Trust
The Sheldon Trust
The Sir James Roll Charitable Trust
The Ten-Percent Foundation
The Tudor Trust
The Vintners' Foundation
The William Allen Young Charitable Trust

We also received £6,000 from individuals which is very much appreciated.

The expenditure on Operations (the work with prisoners and ex-prisoners, including the music project) was £255,000 on payroll, and £16,600 on other costs. Expenditure on fundraising was £47,500 and administration was £46,500.

Overall, Only Connect made a small surplus of £6,434 (previous year £57,902).

Reserves

In the trustees' view reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. We consider we should have at least 3 months reserves

Only Connect UK annual report and financial statements to 31 August 2023

to cover operating costs, or, in the event of closure, sufficient funds to meet all the charity's obligations, including redundancy (£27,530). The trustees do not consider closure is likely in the coming year.

Our unrestricted reserves were £135,523 (£116,598) (equivalent to 3 months) and we have paid back £8,333 of our Bounceback loan, leaving a debt of £15,741. Given the uncertainties we face, as outlined in the Risks section, the trustees consider this level of reserves to be prudent.

Going concern

The trustees have considered the risks facing Only Connect for the coming year. They are confident that OC's financial position is sufficient to be able to weather setbacks and so consider Only Connect is a going concern.

1.2 Structure, governance and management

Formation and structure of the Charity

Only Connect UK was incorporated as a Company Limited by Guarantee on 16 June 2006 and registered as a Charity on 19 September 2006.

Its objectives, as stated in its memorandum of association, are: 'To advance the education and prospects of prisoners, ex-offenders and young people at risk of crime in London, and their families, through the provision of arts projects and productions, personal development and community activities.

We have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2) In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set, taking account of the available guidance on public benefit. The trustees are satisfied that Only Connect's work should lead to a reduction in offending, and this benefits the public.

Governance

The management of the company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The Trustee board meets at least four times a year and monitors progress against goals and targets that flow from the strategic plan set by the Trustee board.

Day to day management is delegated to the chief executive officer. This is in line with our stated delegations of authority; the Trustee board is involved in all material decisions including but not limited to:

- pre-approval of annual budgets
- signing of leases and other issues pertaining to property
- strategic partnerships and significant donor relations
- substantial contracts and other agreements
- appointment of auditors, solicitors and other advisors
- appointment and remuneration of senior staff

Trustees responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

Only Connect UK annual report and financial statements to 31 August 2023

Under company law the Trustees 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 Trustees 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.
- observe the methods and principles in the Charities SORP;

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 have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees 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.

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The charitable company qualifies as small under section 383 of The Companies Act 2006 and so no strategic report has been prepared, which is a requirement of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulation 2013.

Policies adopted for the induction and training of trustees

All new trustees are taken through a trustee induction process carried out by the Chair of the board and as part of this they are introduced to their responsibilities and the key company policies.

Pay policy for senior staff

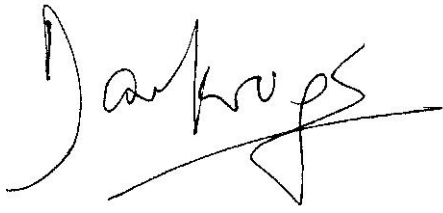
Senior management (directors and above) are remunerated in line with sector benchmarks (reviewed annually) and all senior staff appointments, pay and award changes are approved by the board of trustees.

Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to control and mitigate the charitable company's exposure to the major risks. The major risks facing the charity have been outlined above.

Signed on behalf of the Board of Trustees

Only Connect UK annual report and financial statements to 31 August 2023

A handwritten signature in black ink, appearing to read 'Danny Kruger', with a large, sweeping initial 'D' and a stylized 'K'.

Danny Kruger

Only Connect UK

25 January 2024

ONLY CONNECT UK

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ONLY CONNECT UK

I report to the trustees on my examination of the financial statements of Only Connect UK (the charity) for the year ended 31 August 2023.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

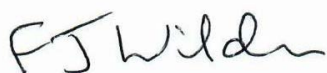
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



F J Wilde FCCA MBA DChA

Warner Wilde
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 29 January 2024

ONLY CONNECT UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023

Current financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	132,255	149,476	281,731	219,223
Charitable activities	4	288,102	-	288,102	288,630
Other income	5	843	-	843	1,009
Total income		<u>421,200</u>	<u>149,476</u>	<u>570,676</u>	<u>508,862</u>
<u>Expenditure on:</u>					
Raising funds	6	<u>246,587</u>	<u>-</u>	<u>246,587</u>	<u>207,463</u>
Charitable activities	7	<u>160,688</u>	<u>156,967</u>	<u>317,655</u>	<u>243,497</u>
Total expenditure		<u>407,275</u>	<u>156,967</u>	<u>564,242</u>	<u>450,960</u>
Net income/(expenditure) for the year/ Net movement in funds		13,925	(7,491)	6,434	57,902
Fund balances at 1 September 2022		<u>116,598</u>	<u>26,596</u>	<u>143,194</u>	<u>85,292</u>
Fund balances at 31 August 2023		<u><u>130,523</u></u>	<u><u>19,105</u></u>	<u><u>149,628</u></u>	<u><u>143,194</u></u>

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

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.

ONLY CONNECT UK

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Prior financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	145,310	73,913	219,223
Charitable activities	4	288,630	-	288,630
Other income	5	1,009	-	1,009
Total income		434,949	73,913	508,862
<u>Expenditure on:</u>				
Raising funds	6	207,325	138	207,463
Charitable activities	7	177,486	66,011	243,497
Total expenditure		384,811	66,149	450,960
Net income/(expenditure) for the year/ Net movement in funds		50,138	7,764	57,902
Fund balances at 1 September 2021		66,460	18,832	85,292
Fund balances at 31 August 2022		116,598	26,596	143,194

ONLY CONNECT UK

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		1,000		1,367
Current assets					
Debtors	12	48,281		34,633	
Cash at bank and in hand		156,221		165,733	
		<u>204,502</u>		<u>200,366</u>	
Creditors: amounts falling due within one year	14	<u>(30,874)</u>		<u>(25,206)</u>	
Net current assets			173,628		175,160
Total assets less current liabilities			174,628		176,527
Creditors: amounts falling due after more than one year	15		(25,000)		(33,333)
Net assets			<u>149,628</u>		<u>143,194</u>
Income funds					
Restricted funds	17		19,105		26,596
Unrestricted funds			130,523		116,598
			<u>149,628</u>		<u>143,194</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2023.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 26 January 2024.



Danny Kruger
Trustee

Company Registration No. 05848399

ONLY CONNECT UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(3,957)		68,698
Net cash used in investing activities			-		-
Financing activities					
Repayment of bank loans		(5,555)		(3,704)	
Net cash used in financing activities			(5,555)		(3,704)
Net (decrease)/increase in cash and cash equivalents			(9,512)		64,994
Cash and cash equivalents at beginning of year			165,733		100,739
Cash and cash equivalents at end of year			156,221		165,733

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

Only Connect UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 32 Cubitt Street, London, WC1X 0LR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

1.4 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.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 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.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to the third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and overhead costs that cannot be easily allocated to particular cost centres. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Assets costing more than £1,000 are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% reducing balance
-----------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 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.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	6,905	-	6,905	10,860	-	10,860
Grants and Trusts income	125,350	149,476	274,826	134,150	73,913	208,063
Donated goods and services	-	-	-	300	-	300
	<u>132,255</u>	<u>149,476</u>	<u>281,731</u>	<u>145,310</u>	<u>73,913</u>	<u>219,223</u>

4 Charitable activities

	Charitable Income	Charitable Income
	2023 £	2022 £
Services provided under contract	72,499	89,487
Rental income	215,603	199,143
	<u>288,102</u>	<u>288,630</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Other income	<u>843</u>	<u>1,009</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

6 Raising funds

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2023 £	2022 £	2022 £	2022 £
<u>Fundraising and publicity</u>				
Seeking donations, grants and legacies	98	27	-	27
Staff costs	42,136	31,051	-	31,051
Support costs	5,268	1,076	138	1,241
	<u>47,502</u>	<u>32,154</u>	<u>138</u>	<u>32,292</u>
<u>Trading costs</u>				
Staff costs	55,691	49,619	-	49,619
Support costs	143,394	125,552	-	125,552
	<u>199,085</u>	<u>175,171</u>	<u>-</u>	<u>175,171</u>
	<u>246,587</u>	<u>207,325</u>	<u>138</u>	<u>207,463</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

7 Charitable activities

	Operations	Administration & governance	Total 2023	Operations	Administration & governance	Total 2022
	2023 £	2023 £	£	2022 £	2022 £	£
Staff costs	254,566	31,895	286,461	182,595	26,104	208,699
Depreciation and impairment	-	367	367	-	456	456
	<u>254,566</u>	<u>32,262</u>	<u>286,828</u>	<u>182,595</u>	<u>26,560</u>	<u>209,155</u>
Share of support costs (see note 8)	16,610	4,043	20,653	19,204	9,660	28,864
Share of governance costs (see note 8)	-	10,174	10,174	306	5,172	5,478
	<u>271,176</u>	<u>46,479</u>	<u>317,655</u>	<u>202,105</u>	<u>41,392</u>	<u>243,497</u>
Analysis by fund						
Unrestricted funds	114,209	46,479	160,688	136,094	41,392	177,486
Restricted funds	156,967	-	156,967	66,011	-	66,011
	<u>271,176</u>	<u>46,479</u>	<u>317,655</u>	<u>202,105</u>	<u>41,392</u>	<u>243,497</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Marketing and IT	9,960	-	9,960	12,115	-	12,115
Office costs	44,153	-	44,153	33,868	-	33,868
Staff costs	6,083	-	6,083	4,045	-	4,045
Rent and rates	90,107	-	90,107	77,370	-	77,370
Other costs	2,637	-	2,637	9,934	-	9,934
Training and support	9,037	-	9,037	10,908	-	10,908
Insurance	7,123	-	7,123	7,333	-	7,333
Legal and professional	-	6,872	6,872	-	2,207	2,207
Other governance costs	-	1,395	1,395	-	1,129	1,129
Independent Examiner	-	2,220	2,220	-	2,226	2,226
	<u>169,100</u>	<u>10,487</u>	<u>179,587</u>	<u>155,573</u>	<u>5,562</u>	<u>161,135</u>
Analysed between						
Fundraising	5,268	98	5,366	1,214	27	1,241
Trading	143,179	215	143,394	125,495	57	125,552
Charitable activities	20,653	10,174	30,827	28,864	5,478	34,342
	<u>169,100</u>	<u>10,487</u>	<u>179,587</u>	<u>155,573</u>	<u>5,562</u>	<u>161,135</u>

Governance costs includes payment to the Independent Examiner of £2,220 (2022- £2,226) for accounts preparation and independent examination.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. (2022: None).

10 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
<u>11</u>	<u>10</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

10 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	347,445	261,785
Social security costs	28,088	20,815
Other pension costs	8,755	6,769
	<u>384,288</u>	<u>289,369</u>

Key Management Personnel comprises the CEO role. The total employee benefit of the Key Management Personnel was £57,810 (2022: £55,215).

There were no employees whose annual remuneration was more than £60,000.

11 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 September 2022	15,285
At 31 August 2023	<u>15,285</u>
Depreciation and impairment	
At 1 September 2022	14,285
At 31 August 2023	<u>14,285</u>
Carrying amount	
At 31 August 2023	<u>1,000</u>
At 31 August 2022	<u>1,367</u>

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	3,712	4,251
Other debtors	196	10,196
Prepayments and accrued income	44,373	20,186
	<u>48,281</u>	<u>34,633</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

13 Loans and overdrafts

	2023 £	2022 £
Bank loans	40,741	46,296
Payable within one year	15,741	12,963
Payable after one year	25,000	33,333

On 1 December 2020 Only Connect took out an unsecured £50,000 Bounce Back Loan for 72 months at a fixed interest rate of 2.5%. For the first 12 months the interest was met by the Government and the repayments started on 1 January 2022 with a repayment rate of £833.33 per month.

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	13	15,741	12,963
Other taxation and social security		7,774	7,343
Trade creditors		629	(1,197)
Other creditors		1,636	1,559
Accruals and deferred income		5,094	4,538
		30,874	25,206

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	13	25,000	33,333

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £8,755 (2022 - £6,769).

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 September 2021	Incoming resources	Resources expended	Balance at 1 September 2022	Incoming resources	Resources expended	Balance at 31 August 2023
	£	£	£	£	£	£	£
Operations	10,000	-	-	10,000	96,476	(106,476)	-
Music	6,800	8,913	(12,936)	2,777	3,000	(5,777)	-
Relationships	1,245	25,000	(22,426)	3,819	10,000	(13,819)	-
Young People	-	20,000	(10,000)	10,000	20,000	(16,500)	13,500
Young People (Geog)	787	-	(787)	-	-	-	-
Geographical	-	20,000	(20,000)	-	20,000	(14,395)	5,605
	<u>18,832</u>	<u>73,913</u>	<u>(66,149)</u>	<u>26,596</u>	<u>149,476</u>	<u>(156,967)</u>	<u>19,105</u>

Operations – our work with prisoners and released prisoners.

Music – our music provision which includes a 6 week course, 2 day courses and one-to-one support from Tim Titsworth, the Music Co-ordinator.

Relationships – we have written a course, Love & Money, which is designed to strengthen a prisoner's relationships and tackle their attitudes to money, with a particular focus on the emotional impact of money. We have delivered this course twice in HMP Pentonville and are planning regular courses in prisons once COVID restrictions are lifted.

Young People – about half our Members are under 26. We use this restricted funding to pay for our work in YOI Feltham and keyworking with this age group.

Geographical Restriction – some funding is restricted to particularly areas, such as West London or parts of Camden and Islington.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 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 31 August 2023 are represented by:						
Tangible assets	1,000	-	1,000	1,367	-	1,367
Current assets/ (liabilities)	154,523	19,105	173,628	148,564	26,596	175,160
Long term liabilities	(25,000)	-	(25,000)	(33,333)	-	(33,333)
	<u>130,523</u>	<u>19,105</u>	<u>149,628</u>	<u>116,598</u>	<u>26,596</u>	<u>143,194</u>

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	<u>120,000</u>	<u>52,500</u>

20 Related party transactions

There were no related party transactions in the year.

21 Cash generated from operations

	2023 £	2022 £
Surplus for the year	6,434	57,902
Adjustments for:		
Depreciation and impairment of tangible fixed assets	367	456
Movements in working capital:		
(Increase)/decrease in debtors	(13,648)	7,043
Increase in creditors	2,890	3,297
Cash (absorbed by)/generated from operations	<u>(3,957)</u>	<u>68,698</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

22 Analysis of changes in net funds

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	165,733	(9,512)	156,221
Loans falling due within one year	(12,963)	(2,778)	(15,741)
Loans falling due after more than one year	(33,333)	8,333	(25,000)
	<u>119,437</u>	<u>(3,957)</u>	<u>115,480</u>

ONLY CONNECT UK

England & Wales - Charity number 1116147

Accounts

Only Connect UK Report and Financial Statements

For the year ended 31 August 2022

Company number: 05848399

Registered charity number: 1116147

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Reference and Administrative Details

Name: Only Connect UK, also using Only Connect

Board of Trustees

Danny Kruger MP, Chair

Emma Kruger

Charlotte Dryer

Omolarah Jonah

Catharine Dawkins

Company Secretary

Simon Pellew

Registered Office

32 Cubitt Street

London

WC1X 0LR

T: 0207 278 8939

E: info@onlyconnectuk.org

Registered charity no. 1116147

Company limited by guarantee

Company no. 05848399

Examiner

Frances Wilde FCCA

www.warnerwilde.co.uk

Board of Trustees' report

1.1 Objectives and Activities & Achievements and Performance

Objectives

Our vision is a more connected society where we all choose a crime-free life. Our mission is to enable people with experience of the criminal justice system to live flourishing lives.

Only Connect works with Londoners aged 16 and over who are either serving custodial sentences, or who have concluded their sentence and are looking to grow new skills and rebuild their confidence.

Review of activities

Our performance has been good, although we want to see more people find jobs. We have worked with 377 people (5 women and 365 men); this compares with 340 last year. Of these, 295 engaged (defined as doing more than one session (78%). In general, people over 25 have a slightly higher engagement level (80%) compared to under 25s at 77%.

Of the engaged people, our outcomes were: jobs 22% and education and training 19%. These are good results, but we want to improve and so we have developed a new model of working.

The model has three elements: about 8 weeks before release we run a two day course about relationships called Love & Money. Then, for the following 8 weeks we provide weekly one-to-one keyworking. We finish just before release with another two day course on job search and job retention called On Point.

We have now run Love & Money five times. It appears to be working very well – the prisoners enjoy it, and it seems to be making an impact on their relationships. The money element seems to be particularly popular as the participants have been wanting to do more of the “technicalities” e.g. types of loans.

On Point has been totally rewritten and is currently being tested. We have run it once at Pentonville and plan to run it monthly at both Pentonville and Wormwood Scrubs.

We have recruited and trained some volunteers to help run the courses, as they are quite demanding on staff time.

Our next steps are:

- Producing high quality workbooks for the two courses
- Running L&M and On Point regularly at Pentonville and Wormwood Scrubs.
- Training keyworkers to incorporate the materials and ideas of the courses into their keyworking, so that we achieve greater impact.

The music project has worked with 47 members. We primarily offer training courses, but for some participants, these are not possible because of the risk of gang clashes, and so, for them, we offer some one-to-one sessions. We ran a superb Showcase, allowing some of the participants to present their work in November 2021.

Risks

The most substantial risk the charity faces is from the building. One of the trustees of our landlord (another charity) has recently died, and we are unsure whether the landlord will want to retain the building.

The second risk is building users clashing. There are now three criminal justice charities using the building. Each brings in clients, and Only Connect has to assess the risk of clashes between participants belonging to antagonistic gangs.

The third risk is key staff leaving. We are very dependent on the managers, each of whom provides considerable expertise. It is hard to mitigate this risk.

Fourth, the competition is quite intense in prisons. There are several good ETE prison charities all competing for referrals. Additionally, prisons are suffering from a huge backlog partly as a result of COVID and also of the barristers' strike, and we face considerable competition in the community from a large company, Maximus, having a contract with probation to provide employment advice.

Lastly, we are in the final year of CFO3. This will mean a loss of nearly £100,000 per annum once the contract ends. We may become increasingly reliant on fundraising in 2023-24 and this will raise the possibility of failing to generate sufficient income.

Financial Overview

Income and Expenditure

We have finished the year (to 31 Aug) with a surplus of £57,902 (£26,000). This is satisfactory: it mainly is a result of the strong results from the building (a surplus of £16,000), compared to the previous year's loss of £71,000. This surplus was achieved despite facing low numbers of people renting desk space in the Autumn of 2021 because of COVID.

We have three main sources of income: rental from letting space (£193,200), statutory contracts (£125,500) and donations from trusts and individuals (£219,223). We are particularly grateful to the following trusts for their support:

29 May 1961
Ashcroft
Basketmakers
City of London Solicitors Company
Field Family Trust
Franklin
Highway One
Inner London Magistrates
Jean Roberts
John Armitage
Marsh
Oakdale
Paul Stephenson
Persula
Rhiannon Trust
Sheldon Trust
Sir James Roll
Sir Jules Thorn
Souter
St Andrew Holborn
Tudor Trust

Our expenditure was £450,960, a rise of 13% from the previous year. This was caused by a rise in property costs, mainly rent, of 26%, and a rise in payroll of 8%.

Reserves

In the trustees' view reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. We consider we should have at least 3 months reserves to cover operating costs, or, in the event of closure, sufficient funds to meet all the charity's obligations, including redundancy (£23,314). The trustees do not consider closure is likely in the coming year.

Our unrestricted reserves were £116,598 (equivalent to 4.7 months) and we have paid back £4,506 of our Bounceback loan. Given the uncertainties we face, as outlined in the Risks section, the trustees consider this level of reserves to be prudent.

Going concern

The trustees have considered the risks facing Only Connect for the coming year. They are confident that OC's reasonable financial position means that we will be able to weather setbacks and so consider Only Connect is a going concern.

1.2 Structure, governance and management

Formation and structure of the Charity

Only Connect UK was incorporated as a Company Limited by Guarantee on 16 June 2006 and registered as a Charity on 19 September 2006.

Its objectives, as stated in its memorandum of association, are: 'To advance the education and prospects of prisoners, ex-offenders and young people at risk of crime in London, and their families, through the provision of arts projects and productions, personal development and community activities.

We have considered the Charity Commission's guidance on public benefit, including the guidance Public benefit: running a charity (PB2). In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set, taking account of the available guidance on public benefit. The trustees are satisfied that Only Connect's work should lead to a reduction in offending, and this benefits the public.

Governance

The management of the company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The Trustee board meets at least four times a year and monitors progress against goals and targets that flow from the strategic plan set by the Trustee board.

Day to day management is delegated to the chief executive officer. This is in line with our stated delegations of authority; the Trustee board is involved in all material decisions including but not limited to:

- pre-approval of annual budgets
- signing of leases and other issues pertaining to property
- strategic partnerships and significant donor relations

- substantial contracts and other agreements
- appointment of auditors, solicitors and other advisors
- appointment and remuneration of senior staff

Trustees responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

Under company law the Trustees 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 Trustees 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.
- observe the methods and principles in the Charities SORP;

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 have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees 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.

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The charitable company qualifies as small under section 383 of The Companies Act 2006 and so no strategic report has been prepared, which is a requirement of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulation 2013.

Policies adopted for the induction and training of trustees

All new trustees are taken through a trustee induction process carried out by the Chair of the board and as part of this they are introduced to their responsibilities and the key company policies.

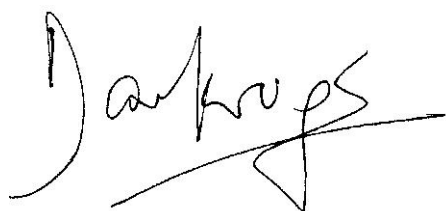
Pay policy for senior staff

Senior management (directors and above) are remunerated in line with sector benchmarks (reviewed annually) and all senior staff appointments, pay and award changes are approved by the board of trustees.

Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to control and mitigate the charitable company's exposure to the major risks. The major risks facing the charity have been outlined above.

Signed on behalf of the Board of Trustees

A handwritten signature in black ink, appearing to read 'Danny Kruger', with a long horizontal stroke extending to the right.

Danny Kruger

Only Connect UK

Dated: 9 Feb 2023

ONLY CONNECT UK

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ONLY CONNECT UK

I report to the trustees on my examination of the financial statements of Only Connect UK (the charity) for the year ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



F J Wilde FCCA MBA DChA

Warner Wilde
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 9 February 2023

ONLY CONNECT UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

Current financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	145,310	73,913	219,223	143,121
Charitable activities	4	288,630	-	288,630	242,758
Other income	5	1,009	-	1,009	39,221
Total income		434,949	73,913	508,862	425,100
<u>Expenditure on:</u>					
Raising funds	6	207,325	138	207,463	162,161
Charitable activities	7	177,486	66,011	243,497	236,958
Total expenditure		384,811	66,149	450,960	399,119
Net income for the year/ Net movement in funds		50,138	7,764	57,902	25,981
Fund balances at 1 September 2021		66,460	18,832	85,292	59,311
Fund balances at 31 August 2022		116,598	26,596	143,194	85,292

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

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.

ONLY CONNECT UK

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	96,371	46,750	143,121
Charitable activities	4	242,758	-	242,758
Other income	5	39,221	-	39,221
Total income		378,350	46,750	425,100
<u>Expenditure on:</u>				
Raising funds	6	162,161	-	162,161
Charitable activities	7	205,148	31,810	236,958
Total expenditure		367,309	31,810	399,119
Gross transfers between funds		6,108	(6,108)	-
Net income for the year/ Net movement in funds		17,149	8,832	25,981
Fund balances at 1 September 2020		49,311	10,000	59,311
Fund balances at 31 August 2021		66,460	18,832	85,292

ONLY CONNECT UK

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		1,367		1,823
Current assets					
Debtors	12	34,633		41,676	
Cash at bank and in hand		165,733		100,739	
		<u>200,366</u>		<u>142,415</u>	
Creditors: amounts falling due within one year	14	<u>(25,206)</u>		<u>(17,279)</u>	
Net current assets			175,160		125,136
Total assets less current liabilities			176,527		126,959
Creditors: amounts falling due after more than one year	15		(33,333)		(41,667)
Net assets			<u>143,194</u>		<u>85,292</u>
Income funds					
Restricted funds	17		26,596		18,832
Unrestricted funds			116,598		66,460
			<u>143,194</u>		<u>85,292</u>

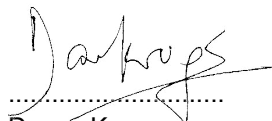
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 9 Feb 2023.....



Danny Kruger
Trustee

Company Registration No. 05848399

ONLY CONNECT UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	21		68,698		2,995
Investing activities					
Purchase of tangible fixed assets		-		(645)	
Proceeds on disposal of tangible fixed assets		-		309	
Net cash used in investing activities			-		(336)
Financing activities					
Repayment of bank loans		(3,704)		50,000	
Net cash (used in)/generated from financing activities			(3,704)		50,000
Net increase in cash and cash equivalents			64,994		52,659
Cash and cash equivalents at beginning of year			100,739		48,080
Cash and cash equivalents at end of year			165,733		100,739

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Only Connect UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 32 Cubitt Street, London, WC1X 0LR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

1.4 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.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 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.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to the third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and overhead costs that cannot be easily allocated to particular cost centres. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Assets costing more than £1,000 are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% reducing balance
-----------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 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.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	10,860	-	10,860	8,971	-	8,971
Grants and Trusts income	134,150	73,913	208,063	87,400	46,750	134,150
Donated goods and services	300	-	300	-	-	-
	<u>145,310</u>	<u>73,913</u>	<u>219,223</u>	<u>96,371</u>	<u>46,750</u>	<u>143,121</u>

4 Charitable activities

	Charitable Income	Charitable Income
	2022 £	2021 £
Services provided under contract	89,487	177,543
Rental income	199,143	65,215
	<u>288,630</u>	<u>242,758</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Other income	<u>1,009</u>	<u>39,221</u>

Other Income in 2021 includes Intercompany loan written back £7,063 and Security deposit written back of £3,100.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

6 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022 £	2022 £	2022 £	2021 £
<u>Fundraising and publicity</u>				
Seeking donations, grants and legacies	27	-	27	-
Staff costs	31,051	-	31,051	24,370
Support costs	1,076	138	1,241	501
Fundraising and publicity	32,154	138	32,292	24,871
<u>Trading costs</u>				
Staff costs	49,619	-	49,619	43,260
Support costs	125,552	-	125,552	94,030
Trading costs	175,171	-	175,171	137,290
	207,325	138	207,463	162,161

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities

	Operations	Administration & governance	Total 2022	Operations	Administration & governance	Total 2021
	2022 £	2022 £	£	2021 £	2021 £	£
Staff costs	182,595	26,104	208,699	179,681	22,206	201,887
Depreciation and impairment	-	456	456	-	411	411
	<u>182,595</u>	<u>26,560</u>	<u>209,155</u>	<u>179,681</u>	<u>22,617</u>	<u>202,298</u>
Share of support costs (see note 8)	19,204	9,660	28,864	9,730	22,197	31,927
Share of governance costs (see note 8)	306	5,172	5,478	2,733	-	2,733
	<u>202,105</u>	<u>41,392</u>	<u>243,497</u>	<u>192,144</u>	<u>44,814</u>	<u>236,958</u>
Analysis by fund						
Unrestricted funds	136,094	41,392	177,486	160,334	44,814	205,148
Restricted funds	66,011	-	66,011	31,810	-	31,810
	<u>202,105</u>	<u>41,392</u>	<u>243,497</u>	<u>192,144</u>	<u>44,814</u>	<u>236,958</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

8 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Marketing and IT	12,115	-	12,115	14,088	-	14,088
Office costs	33,868	-	33,868	33,579	-	33,579
Staff costs	4,045	-	4,045	1,025	-	1,025
Rent and rates	77,370	-	77,370	62,179	-	62,179
Other costs	9,934	-	9,934	4,883	-	4,883
Training and support	10,908	-	10,908	6,436	-	6,436
Insurance	7,333	-	7,333	4,268	-	4,268
Legal and professional	-	2,207	2,207	-	-	-
Other governance costs	-	1,129	1,129	-	711	711
Independent Examiner	-	2,226	2,226	-	2,022	2,022
	<u>155,573</u>	<u>5,562</u>	<u>161,135</u>	<u>126,458</u>	<u>2,733</u>	<u>129,191</u>
Analysed between						
Fundraising	1,214	27	1,241	501	-	501
Trading	125,495	57	125,552	94,030	-	94,030
Charitable activities	28,864	5,478	34,342	31,927	2,733	34,660
	<u>155,573</u>	<u>5,562</u>	<u>161,135</u>	<u>126,458</u>	<u>2,733</u>	<u>129,191</u>

Governance costs includes payments to the Independent Examiner of £2,226 (2021- £2,022) for accounts preparation and independent examination.

Note that insurance and Independent Examiner fees were included in office costs and rent & rates respectively in the signed 2021 accounts but have been split out in 2022, as above.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. (2021: None).

10 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
<u>10</u>	<u>11</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	261,785	248,258
Social security costs	20,815	14,289
Other pension costs	6,769	6,970
	<u>289,369</u>	<u>269,517</u>

Key Management Personnel comprises the CEO role. The total employee benefit of the Key Management Personnel was £55,215 (2021: £57,418).

There were no employees whose annual remuneration was more than £60,000.

11 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 September 2021	15,285
At 31 August 2022	<u>15,285</u>
Depreciation and impairment	
At 1 September 2021	13,462
Depreciation charged in the year	456
At 31 August 2022	<u>13,918</u>
Carrying amount	
At 31 August 2022	<u>1,367</u>
At 31 August 2021	<u>1,823</u>

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	4,251	34,373
Other debtors	10,196	7,243
Prepayments and accrued income	20,186	60
	<u>34,633</u>	<u>41,676</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Loans and overdrafts

	2022 £	2021 £
Bank loans	46,296	50,000
Payable within one year	12,963	8,333
Payable after one year	33,333	41,667

On 1 December 2020 Only Connect took out an unsecured £50,000 Bounce Back Loan for 72 months at a fixed interest rate of 2.5%. For the first 12 months the interest was met by the Government and the repayments started on 1 January 2022 with a repayment rate of £833.33 per month.

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	13	12,963	8,333
Other taxation and social security		7,343	3,427
Trade creditors		(1,197)	(1,835)
Other creditors		1,559	2,847
Accruals and deferred income		4,538	4,507
		25,206	17,279

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	13	33,333	41,667

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £6,769 (2021 - £6,970).

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Balance at 1 September 2021	Incoming resources	Resources expended	Balance at 31 August 2022
	£	£	£	£	£	£	£	£
Operations	10,000	-	-	-	10,000	-	-	10,000
Music	-	24,250	(15,842)	(1,608)	6,800	8,913	(12,936)	2,777
Relationships	-	10,000	(5,755)	(3,000)	1,245	25,000	(22,426)	3,819
Young People	-	2,500	(2,500)	-	-	20,000	(10,000)	10,000
Young People (Geog)	-	10,000	(7,713)	(1,500)	787	-	(787)	-
Geographical	-	-	-	-	-	20,000	(20,000)	-
	<u>10,000</u>	<u>46,750</u>	<u>(31,810)</u>	<u>(6,108)</u>	<u>18,832</u>	<u>73,913</u>	<u>(66,149)</u>	<u>26,596</u>

Operations – our work with prisoners and released prisoners.

Music – our music provision which includes a 6 week course, 2 day courses and one-to-one support from Tim Titsworth, the Music Co-ordinator.

Relationships – we have written a course, Love & Money, which is designed to strengthen a prisoner's relationships and tackle their attitudes to money, with a particular focus on the emotional impact of money. We have delivered this course twice in HMP Pentonville and are planning regular courses in prisons once COVID restrictions are lifted.

Young People – about half our Members are under 26. We use this restricted funding to pay for our work in YOI Feltham and keyworking with this age group.

Geographical Restriction – some funding is restricted to particularly areas, such as West London or parts of Camden and Islington.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	1,367	-	1,367	1,823	-	1,823
Current assets/ (liabilities)	148,564	26,596	175,160	106,304	18,832	125,136
Long term liabilities	(33,333)	-	(33,333)	(41,667)	-	(41,667)
	<u>116,598</u>	<u>26,596</u>	<u>143,194</u>	<u>66,460</u>	<u>18,832</u>	<u>85,292</u>

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	<u>52,500</u>	<u>35,000</u>

20 Related party transactions

There were no related party transactions in the year.

21 Cash generated from operations

	2022 £	2021 £
Surplus for the year	57,902	25,981
Adjustments for:		
Depreciation and impairment of tangible fixed assets	456	411
Movements in working capital:		
Decrease/(increase) in debtors	7,043	(3,125)
Increase/(decrease) in creditors	3,297	(20,272)
Cash generated from operations	<u>68,698</u>	<u>2,995</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

22 Analysis of changes in net funds

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	100,739	64,994	165,733
Loans falling due within one year	(8,333)	(4,630)	(12,963)
Loans falling due after more than one year	(41,667)	8,334	(33,333)
	<u>50,739</u>	<u>68,698</u>	<u>119,437</u>

ONLY CONNECT UK

England & Wales - Charity number 1116147

Accounts

Only Connect UK Report and Unaudited Financial Statements

For the year ended 31 August 2021

Company number: 05848399

Registered charity number: 1116147

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Reference and Administrative Details

Name: Only Connect UK, also using Only Connect

Board of Trustees

Danny Kruger MP, Chair

Emma Kruger

Charlotte Dryer (appointed 25 September 2020)

Omolarah Jonah (appointed 4 April 2021)

Catharine Dawkins (appointed 5 May 2021)

Company Secretary

Simon Pellew

Registered Office

32 Cubitt Street

London

WC1X 0LR

Examiner

Frances Wilde FCCA

www.warnerwilde.co.uk

T: 0207 278 8939

E: info@onlyconnectuk.org

Registered charity no. 1116147

Company limited by guarantee

Company no. 05848399

Board of Trustees' report

1.1 Objectives and Activities & Achievements and Performance

Objectives

Our vision is a more connected society where we all choose a crime-free life. Our mission is to enable people with experience of the criminal justice system to live flourishing lives.

Only Connect works with Londoners aged 16 and over who are either serving custodial sentences, or who have concluded their sentence and are looking to grow new skills and rebuild their confidence.

Review of activities

Only Connect's main activity is one-to-one keyworking of prisoners and ex-offenders in the community to help them gain jobs. In addition to keyworking we are also developing our groupwork with two courses: Love & Money, a course looking at strengthening relationships, including how couples think about money, and On Point, which is about attitudes and mindset to employment. In addition, we also run a music project, which includes both one-to-one and groupwork and a catering course. Our other substantial activity is letting out co-working space in our large building, 32 Cubitt Street.

Despite COVID and the Lockdown, Only Connect has had a successful year, although we have struggled to maintain our caseloads during the Autumn and Winter lockdowns. We also lost all our tenants during the first lockdown, and it has taken most of the latter half of the year to recover.

At Only Connect we aim to continue to work with the Members until they stop needing us or disengage. This means that Members can remain on our books even after they have a job if they continue to want to make occasional contact for support.

We worked with 371 people, of whom 284 people started during the year. Overall, we conducted an average of 4.5 sessions per Member.

Of the new starts, 25% under 22 and 43% over 25. Nine of the Members were female. The ethnic breakdown of the new starts was:

	OC	Convictions
Asian	11%	12%
Black	62%	32%
Mixed	10%	5%
Other	2%	3%
White	15%	48%
Total	100%	100%

The table above compares the ethnicity of OC's clients with the ethnic breakdown of convictions in the Met Police area for 2017 (the most recent year available). It is clear that OC works with considerably more Black people and considerably fewer Whites. We draw our Members from every London borough, and so we are unsure why our Members are so unrepresentative, although we think it possible that this reflects the ethnic breakdown of YOI Feltham and HMP Pentonville, the prisons that are our main source of referrals.

Our outcomes are:

Type Outcome	<=25	>25	Total
Education	1	2	3
f/t work	11	19	30
long training course	6	13	19
p/t work	1	4	5
self-employment		1	1
short training course	17	21	38
	36	60	96

The number of people who left OC was 358, of whom a disappointingly large number (177) disengaged. We suspect the lockdowns made it harder to engage with the Members, but engaging Members is always one of the major challenges of working in the criminal justice sector.

We have long wanted to make our belief in the importance of connection and relationships much more central to our work. This year we completed the development of a new course, Love & Money, which we have been running in HMP Pentonville. Although it is too early to be able to assess the impact we were encouraged that the men participating really seemed to be hooked by the content (which, after all, is about the two most important things in many people's lives), and gave keyworkers an opportunity to discuss attitudes to offending.

We ran two Love & Money courses in HMP Pentonville. The course is 2 days and covers communication between couples, forgiveness and talking together about money. We were pleased by the response, and we were surprised by the way the course material led to some very revealing discussions about the links between feelings about money and crime. We believe that the course will open opportunities for keyworking.

The music course restarted in the Spring, but with quite small numbers. We continue to also offer one-to-one support for musicians, and we are planning courses for the autumn and the following spring.

The building became a major concern during the Lockdown. Our landlord generously reduced our rent for the previous year, but we faced paying for an empty building for the whole of the autumn and early winter. Since March the number of licensees has been rising, and by October 2021 (beyond the year end) we are near to breakeven for the building.

During the last year we decided to try to recruit more volunteers. This has been very successful, and we have some excellent volunteers, giving 2-3 days a week either as keyworkers or helping with fundraising.

1.2 Financial Overview

Income and expenditure

We made a surplus of £25,981 for the year, although £10,160 of this was due to the writing off of brought forward inter-company loans associated with our demerger from Catch 22.

Our income was £425,100. Income comes from four sources: Government contracts, grants from trusts and donations from individuals and income from lettings.

We ran two contracts: Co-Financing 3 (CFO3) from the HM Prison and Probation Service (HMPPS) under Shaw Trust and EQUIP, from the European Union. The CFO3 contract will continue until August 2024 and the EQUIP runs until March 2022. The contracts generated £201,729.

Our income from grant-making trusts was £110,150. We gratefully acknowledge financial support from the following trusts:

St Andrew Holborn And Stafford's Charity
The Alchemy Foundation
The Harbour Foundation
The Persula Foundation
The Boltini Trust
The 29Th May 1961 Charity
The Rhiannon Trust
Dentons Ukmea Llp Charitable Trust
Inner London Magistrates Court Poor Box
The Marsh Christian Trust
The Gosling Foundation Limited
The John Armitage Charitable Trust
The Performing Right Society Foundation
Sir Jules Thorn Charitable Trust
The Ashcroft Charitable Trust
Highway One Trust
The D'Oyly Carte Charitable Trust

We received £5,964 from individual donors, plus some of the donations were gift aided.

Our income from lettings was £65,215, despite the property being empty for three months during lockdown from December to February.

For this year we also received funding under the Furlough scheme of £28,869.

Our expenditure was £269,517 on payroll and £129,602 on other costs. Of this, we spent £193,000 on operations, £136,000 on the building, £31,000 on fundraising and £39,000 on administration. Due to the loss of licensees during the Lockdowns, we made a loss on the building of £71,000.

Reserves policy

In the trustees' view reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. We consider we should have 3 months reserves to cover operating costs, or, in the event of closure, sufficient funds to meet all the charity's obligations, including redundancy (£4,114). The trustees do not consider closure is likely in the coming year.

Our unrestricted reserves were £66,460. To maintain reserves we took out a Government Bounceback Loan of £50,000 which is repayable over six years, starting in January 2022.

Going concern

The trustees have considered a number of risks facing Only Connect for the coming year. A particular concern is a reduction in our Co-Financing contract (CFO3) with the HMPPS. This will reduce our income by about £100,000. However, they believe that there is a strong probability that OC will be able to make up this deficit through fundraising from trusts, and so are confident that Only Connect is a going concern.

Funds

Most donations are unrestricted, but a few are restricted to particular activities. The funds carried forward are £6,800 for the music project, £11,246 for relationship work, and £787 for working with young people from particular parts of London.

1.3 Structure, governance and management

Formation and structure of the Charity

Only Connect UK was incorporated as a Company Limited by Guarantee on 16 June 2006 and registered as a Charity on 19 September 2006.

Its objectives, as stated in its memorandum of association, are: 'To advance the education and prospects of prisoners, ex-offenders and young people at risk of crime in London, and their families, through the provision of arts projects and productions, personal development and community activities.

We have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2) In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set, taking account of the available guidance on public benefit. The trustees are satisfied that Only Connect's work should lead to a reduction in offending, and this benefits the public.

On 5 October 2015 Only Connect UK Limited was acquired by Catch22 Charity Limited who became the sole member on that date. Catch 22 provided us with considerable help, including financial support. On 1 September 2020 Catch 22 relinquished its sole membership of Only Connect UK. We are extremely grateful to Catch 22 for the support they gave us over the four years we were a part of them, and for their generosity in writing off a considerable debt when we left.

During the year 2020-21, we established new systems to run the charity. This included a financial system and new IT support. We are now fully separate from Catch 22, although they continue to rent space from us.

Governance

The management of the company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The Trustee board meets at least four times a year and monitors progress against goals and targets that flow from the strategic plan set by the Trustee board.

Day to day management is delegated to the chief executive officer. This is in line with our stated delegations of authority; the Trustee board is involved in all material decisions including but not limited to:

Only Connect UK annual report and financial statements to 31 August 2021

- pre-approval of annual budgets
- signing of leases and other issues pertaining to property
- strategic partnerships and significant donor relations
- approval and signature of contracts and other agreements
- appointment of auditors, solicitors and other advisors
- appointment and remuneration of senior staff

Trustees responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

Under company law the Trustees 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 Trustees 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.
- observe the methods and principles in the Charities SORP;

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 have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees 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.

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the

Only Connect UK annual report and financial statements to 31 August 2021

responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The charitable company qualifies as small under section 383 of The Companies Act 2006 and so no strategic report has been prepared, which is a requirement of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulation 2013.

Policies adopted for the induction and training of trustees

All new trustees are taken through a trustee induction process carried out by the Chair of the board and as part of this they are introduced to their responsibilities and the key company policies.

Pay policy for senior staff

Senior management (directors and above) are remunerated in line with sector benchmarks (reviewed annually) and all senior staff appointments, pay and award changes are approved by the board of trustees.

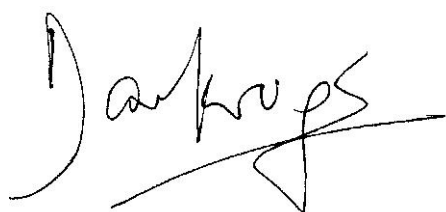
Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to control and mitigate the charitable company's exposure to the major risks.

Key risks:

- Financial: risk of insolvency or financial impropriety. Only Connect maintains accrual accounts using Quickbooks and has signing limits in place for all senior staff.
- Reputational: risk of reputational damage arising from breach of legal responsibilities, for example in respect to Data Protection Act. Only Connect uses encrypted data and limits access to mailing lists to named staff.
- Business continuity: ongoing risk of Only Connect's buildings being unavailable due to lease issues or force majeure event. Mitigated by Board oversight and contingency planning around geographical location of services.
- Safeguarding: ongoing risk of a serious safeguarding incident exposing major practice or process limitations. Mitigated by ongoing process compliance and adherence to safeguarding protocols, overseen by the CEO.

Signed on behalf of the Board of Trustees

A handwritten signature in black ink, appearing to read 'Danny Kruger', with a stylized flourish at the end.

Danny Kruger

Only Connect UK

Only Connect UK annual report and financial statements to 31 August 2021

ONLY CONNECT UK

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ONLY CONNECT UK

I report to the trustees on my examination of the financial statements of Only Connect UK (the charity) for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

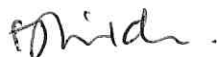
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



F J Wilde FCCA MBA DChA

Warner Wilde
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 17 March 2022

ONLY CONNECT UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

Current financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	96,371	46,750	143,121	396,891
Charitable activities	4	242,758	-	242,758	325,752
Other income	5	39,221	-	39,221	11,474
Total income		378,350	46,750	425,100	734,117
<u>Expenditure on:</u>					
Raising funds	6	162,161	-	162,161	233,701
Charitable activities	7	205,148	31,810	236,958	260,845
Total resources expended		367,309	31,810	399,119	494,546
Net incoming resources before transfers		11,041	14,940	25,981	239,571
Gross transfers between funds		6,108	(6,108)	-	-
Net income for the year/ Net movement in funds		17,149	8,832	25,981	239,571
Fund balances at 1 September 2020		49,311	10,000	59,311	(180,260)
Fund balances at 31 August 2021		66,460	18,832	85,292	59,311

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

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.

ONLY CONNECT UK

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	381,891	15,000	396,891
Charitable activities	4	325,752	-	325,752
Other income	5	11,474	-	11,474
Total income		719,117	15,000	734,117
<u>Expenditure on:</u>				
Raising funds	6	233,701	-	233,701
Charitable activities	7	210,845	50,000	260,845
Total resources expended		444,546	50,000	494,546
Net incoming resources before transfers		274,571	(35,000)	239,571
Net income for the year/ Net movement in funds		274,571	(35,000)	239,571
Fund balances at 1 September 2019		(225,260)	45,000	(180,260)
Fund balances at 31 August 2020		49,311	10,000	59,311

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

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.

ONLY CONNECT UK

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		1,823		1,898
Current assets					
Debtors	12	41,676		38,551	
Cash at bank and in hand		100,739		48,080	
		<u>142,415</u>		<u>86,631</u>	
Creditors: amounts falling due within one year	14	<u>(17,279)</u>		<u>(29,218)</u>	
Net current assets			125,136		57,413
Total assets less current liabilities			126,959		59,311
Creditors: amounts falling due after more than one year	15		(41,667)		-
Net assets			<u>85,292</u>		<u>59,311</u>
Income funds					
Restricted funds	16		18,832		10,000
Unrestricted funds			66,460		49,311
			<u>85,292</u>		<u>59,311</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 9 March 2022.



Danny Kruger
Trustee

Company Registration No. 05848399

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

Only Connect UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 32 Cubitt Street, London, WC1X 0LR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

1.4 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.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to the third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and overhead costs that cannot be easily allocated to particular cost centres. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Assets costing more than £1,000 are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	33% straight line
Fixtures and fittings	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 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.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	8,971	-	8,971	273,884	-	273,884
Grants and Trusts income	87,400	46,750	134,150	108,007	15,000	123,007
	<u>96,371</u>	<u>46,750</u>	<u>143,121</u>	<u>381,891</u>	<u>15,000</u>	<u>396,891</u>

4 Charitable activities

	Charitable Income	Charitable Income
	2021 £	2020 £
Services provided under contract	177,543	182,018
Performance related grants	-	17,213
Rental income	65,215	126,521
	<u>242,758</u>	<u>325,752</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Other income	<u>39,221</u>	<u>11,474</u>

Other Income in 2021 includes Intercompany loan written back £7,063 and Security deposit written back of £3,100.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Fundraising and publicity</u>		
Other fundraising costs	-	150
Staff costs	24,370	25,412
Support costs	501	-
Fundraising and publicity	24,871	25,562
<u>Trading costs</u>		
Staff costs	43,260	31,914
Support costs	94,030	176,225
Trading costs	137,290	208,139
	<u>162,161</u>	<u>233,701</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

7 Charitable activities

	Operations	Administrati	Total	Operations	Administrati	Total
	on and	on and	2021	on and	on and	2020
	governance	governance		governance	governance	
	2021	2021		2020	2020	
	£	£	£	£	£	£
Staff costs	179,681	22,206	201,887	179,923	31,963	211,886
Depreciation and impairment	-	411	411	-	-	-
	<u>179,681</u>	<u>22,617</u>	<u>202,298</u>	<u>179,923</u>	<u>31,963</u>	<u>211,886</u>
Share of support costs (see note 8)	11,752	22,197	33,949	37,769	-	37,769
Share of governance costs (see note 8)	711	-	711	11,190	-	11,190
	<u>192,144</u>	<u>44,814</u>	<u>236,958</u>	<u>228,882</u>	<u>31,963</u>	<u>260,845</u>
Analysis by fund						
Unrestricted funds	160,334	44,814	205,148	178,882	31,963	210,845
Restricted funds	31,810	-	31,810	50,000	-	50,000
	<u>192,144</u>	<u>44,814</u>	<u>236,958</u>	<u>228,882</u>	<u>31,963</u>	<u>260,845</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Depreciation	-	-	-	2,217	-	2,217
Marketing and IT	14,088	-	14,088	8,665	-	8,665
Office costs	37,847	-	37,847	50,887	-	50,887
Staff costs	1,025	-	1,025	2,042	-	2,042
Rent and rates	64,201	-	64,201	78,457	-	78,457
Other costs	4,883	-	4,883	60,905	-	60,905
Training and support	6,436	-	6,436	10,821	-	10,821
Audit fees	-	-	-	-	9,210	9,210
Marketing and IT	-	711	711	-	1,980	1,980
	<u>128,480</u>	<u>711</u>	<u>129,191</u>	<u>213,994</u>	<u>11,190</u>	<u>225,184</u>
Analysed between						
Fundraising	501	-	501	-	-	-
Trading	94,030	-	94,030	176,225	-	176,225
Charitable activities	33,949	711	34,660	37,769	11,190	48,959
	<u>128,480</u>	<u>711</u>	<u>129,191</u>	<u>213,994</u>	<u>11,190</u>	<u>225,184</u>

Governance costs includes payments to the auditors of £nil (2020- £9,210) for audit fees.

9 Trustees

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

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Employees

Number of employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
8	8

Employment costs

	2021 £	2020 £
Wages and salaries	248,258	239,966
Social security costs	14,289	21,968
Other pension costs	6,970	7,278
	<u>269,517</u>	<u>269,212</u>

Key Management Personnel comprises the CEO. The total employee benefit of the Key Management Personnel was £57.4k.

11 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 September 2020	16,797
Additions	645
Disposals	(2,157)
At 31 August 2021	<u>15,285</u>
Depreciation and impairment	
At 1 September 2020	14,899
Depreciation charged in the year	411
Eliminated in respect of disposals	(1,848)
At 31 August 2021	<u>13,462</u>
Carrying amount	
At 31 August 2021	<u>1,823</u>
At 31 August 2020	<u>1,898</u>

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	34,373	30,361
Other debtors	7,243	4,670
Prepayments and accrued income	60	3,520
	<u>41,676</u>	<u>38,551</u>

13 Loans and overdrafts

	2021 £	2020 £
Bank loans	50,000	-
Payable within one year	8,333	-
Payable after one year	41,667	-

On 1 December 2020 Only Connect took out an unsecured £50,000 Bounce Back Loan for 72 months at a fixed interest rate of 2.5%. For the first 12 months the interest was met by the Government and the repayments started on 1 January 2022 with a repayment rate of £833.33 per month.

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	13	8,333	-
Other taxation and social security		3,427	5,016
Trade creditors		(1,835)	3,839
Other creditors		2,847	10,567
Accruals and deferred income		4,507	9,796
		<u>17,279</u>	<u>29,218</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	13	41,667	-

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers
	£	£	£	£	£	£	£
Operations	45,000	15,000	(50,000)	10,000	-	-	-
Music	-	-	-	-	24,250	(15,842)	(1,608)
Relationships	-	-	-	-	10,000	(5,755)	(3,000)
Young People	-	-	-	-	2,500	(2,500)	-
Young People (Geog)	-	-	-	-	10,000	(7,713)	(1,500)
	<u>45,000</u>	<u>15,000</u>	<u>(50,000)</u>	<u>10,000</u>	<u>46,750</u>	<u>(31,810)</u>	<u>(6,108)</u>
	<u><u>45,000</u></u>	<u><u>15,000</u></u>	<u><u>(50,000)</u></u>	<u><u>10,000</u></u>	<u><u>46,750</u></u>	<u><u>(31,810)</u></u>	<u><u>(6,108)</u></u>

Operations – our work with prisoners and released prisoners.

Music – our music provision which includes a 6 week course, 2 day courses and one-to-one support from Tim Titsworth, the Music Co-ordinator.

Relationships – we have written a course, Love & Money, which is designed to strengthen a prisoner's relationships and tackle their attitudes to money, with a particular focus on the emotional impact of money. We have delivered this course twice in HMP Pentonville and are planning regular courses in prisons once COVID restrictions are lifted.

Young People – about half our Members are under 26. We use this restricted funding to pay for our work in YOI Feltham and keyworking with this age group.

Geographical Restriction – some funding is restricted to particularly areas, such as West London or parts of Camden and Islington.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 August 2021 are represented by:						
Tangible assets	1,823	-	1,823	1,898	-	1,898
Current assets/ (liabilities)	106,304	18,832	125,136	47,413	10,000	57,413
Long term liabilities	(41,667)	-	(41,667)	-	-	-
	<u>66,460</u>	<u>18,832</u>	<u>85,292</u>	<u>49,311</u>	<u>10,000</u>	<u>59,311</u>

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	<u>35,000</u>	<u>24,000</u>

19 Related party transactions

The Charity's ultimate parent charity was Catch22 Charity Limited (company number 6577534 and registered charity number 1124127) until 31 August 2020. a Special Resolution was signed by the trustees on 31 August 2020 agreeing that Catch22 would cease to be a member of Only Connect with effect from 1 September 2020.

During the year ended 31 August 2020 the following related party transactions took place:

Catch22 made payments on behalf of Only Connect amounting to £18k which were fully repaid in the year.

Catch22 converted £260k owed by Only Connect into a donation to Only Connect.

Only Connect charged Launch22 Limited (a fellow subsidiary of Catch 22 Charity Limited) £84k for rent and related costs.

At 31 August 2020 Launch 22 owed Only Connect £44k.