

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

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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

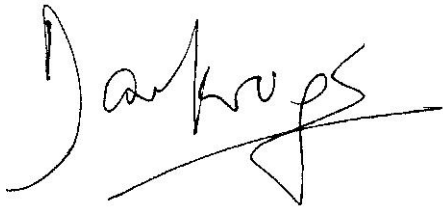
Senior management (directors and above) are remunerated in line with sector benchmarks (reviewed annually) and all senior staff appointments, pay and award changes are approved by the board of trustees.

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 flourish extending from the end of the name.

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.

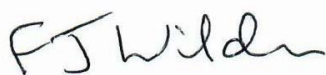
Independent examiner's statement

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
	<hr/>	<hr/>	<hr/>	<hr/>
Fundraising and publicity	47,502	32,154	138	32,292
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Trading costs</u>				
Staff costs	55,691	49,619	-	49,619
Support costs	143,394	125,552	-	125,552
	<hr/>	<hr/>	<hr/>	<hr/>
Trading costs	199,085	175,171	-	175,171
	<hr/>	<hr/>	<hr/>	<hr/>
	246,587	207,325	138	207,463
	<hr/>	<hr/>	<hr/>	<hr/>

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>

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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>

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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).

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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.

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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>

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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>