RECOVERY CONNECTIONS

England & Wales · Charity number 1147748

Details

Other names	HOPE NORTH EAST
Status	Registered
Legal form	Charitable company
Company number	06545431
Registered	2012-06-19
Register	View on the Charity Commission register

Contact

Address	Recovery Connections Bedford House 112 Linthorpe Road Middlesbrough Cleveland
Phone	01642351976
Email	DOT.TURTON@RECOVERYCONNECTIONS.ORG.UK
Website	www.recoveryconnections.org.uk

Activities

Objects: TO RELIEVE THE SUFFERING OF INDIVIDUALS AND FAMILIES RESIDENT IN THE NORTH OF ENGLAND, WHO SUFFER FROM OR ARE AFFECTED BY: - A. SUBSTANCE MISUSE; B. ISOLATION; C. POVERTY; D. UNEMPLOYMENT; E. OFFENDING; F. HOMELESSNESS; G. TRAUMA; H. MENTAL HEALTH ISSUES; OR I. RELATED COMPLEX NEEDS, BY PROVIDING PEER-LED TRAINING, SUPPORT AND ASSISTANCE.

Activities: Recovery Connections is a user-led, recovery support service and Registered Charity. We provide therapeutic treatment, support, residential rehabilitation and practical solutions to people on a recovery pathway. Recovery Connections was established as a peer led organisation to offer visible recovery and be led by the community it serves.

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Classification

- **How:** Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Other Defined Groups

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,562,263	£4,302,121	£1,562,799	124
2024-03-31	£3,252,914	£3,186,732	£1,121,735	98
2023-03-31	£2,332,413	£2,249,070	£1,055,553	75
2022-03-31	£2,031,578	£1,723,363	£972,210	56
2021-03-31	£1,553,132	£1,285,144	£663,995	49

Trustees

Name	Role	Appointed
Ursula Ruth Hicks	Chair	2012-06-18
Amy Dryden		2024-04-30
Cheryl Spears		2025-04-01
Daniel Galloway Mr		2020-11-05
David Barras		2019-01-22
Rachel Burke		2022-05-01
Suzanne Hague Dr		2025-01-14

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RECOVERY CONNECTIONS

England & Wales - Charity number 1147748

Accounts



Recovery Connections and Subsidiary Company

(Limited by Guarantee)

Trustees' Report and Consolidated Financial Statements for the Year Ended 31 March 2025

ANDERSON BARROWCLIFF LIMITED
Chartered Accountants

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Financial Statements
for the Year Ended 31 March 2025

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Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Legal and Administrative Details
for the Year Ended 31 March 2025

COMPANY REGISTRATION NUMBER:	06545431
CHARITY REGISTRATION NUMBER:	1147748
REGISTERED OFFICE:	Bedford House 1st Floor 112 Linthorpe Road Middlesbrough United Kingdom TS1 2JR
TRUSTEES:	Ruth Hicks - Chairperson David Barras Daniel Galloway Rachel Burke Sophie Turton Matthew Bower – resigned 4 August 2024 Dr David Patton – resigned 1 August 2024 Amy Dryden – appointed 30 April 2024 Cheryl Spears – appointed 1 April 2025
CHIEF EXECUTIVE OFFICER:	Dorothy Smith
BANKERS:	National Westminster Bank Plc 106 Linthorpe Road Middlesbrough United Kingdom TS1 2JX
AUDITORS:	Anderson Barrowcliff Limited Chartered Accountants 3 Kingfisher Court Bowesfield Park Stockton on Tees TS18 3EX

Report of the Trustees (including Directors Report)
Year Ended 31 March 2025

The Trustees present their report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply 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)".

OBJECTIVES AND ACTIVITIES

As part of a review of the areas of delivery and recipients of the charity's objectives, an amendment was made in October 2018 by special resolution. Article 4 was replaced with; To relieve the suffering of individuals and families resident in the North of England, who suffer from or are affected by: - a. Substance misuse; b. Isolation; c. Poverty; d. Unemployment; e. Offending; f. Homelessness; g. Trauma; h. Mental health issues; or i. Related complex needs, by providing peer-led training, support and assistance.

Provision of Services
Recovery Connections offer a range of opportunities that can help build recovery capital and achieve lasting positive change. The aim of our support is also to offer a range of opportunities to develop community, build peer networks and incorporate structure and purpose into daily routine. Raising the profile of recovery and challenging stigma is a key aim of everything we do.

Across Middlesbrough, Gateshead, Sunderland, Darlington, Hartlepool and Stockton our day-to-day basis is focussed on helping to build recovery capital within individuals and within the recovery community. We offer opportunities for people in recovery to help build their peer networks and community networks and to add purpose into their daily routine. We focus on individual strengths and have a 'do with' rather than a 'do for' approach to support. We have also created alliances with many organisations to further help build opportunities and paths into local communities.

We achieve our mission through a range of evidence-based interventions supporting 1989 people who collectively attended 16445 structured groups and activities.

Our core projects include:

Recovery Support

The Recovery Coaching programme helps individuals navigate their way through their own journey of recovery and build recovery capital to achieve their own defined goals. We support all pathways to recovery including harm reduction.

Community Activity Work

We offer a wide range of activities and programmes that aim to help people through their recovery, these include, but are not limited to, a Community Garden, Choir, Cooking, Sports Activities, Gender Specific groups, Yoga and Meditation, Orienteering and a range of evidence based therapeutic psychosocial programmes. We collaborate with community based groups and organisations to broaden social connection and networks.

Employment Advice

We understand that working towards main life goals such as employment, training or education can be challenging, and we offer advice and support to prepare the people for the onward steps in their recovery pathway through the national programme IPS (Individual Placement Support) and Collegiate Recovery.

The Ambassador Programme

We believe that providing the benefit of lived experience and proof that abstinence-based recovery is possible led us to create The Ambassador Programme. The Ambassador programme is an opportunity for anyone in abstinence-based recovery to become part of the contracted and subcontracted services as a visible recovery role model. The programme includes a bespoke level 2 OCN accredited qualification that underpins the role of an Ambassador.

Across all projects, we have trained 117 Ambassadors this year.

Volunteering

As members of the Recovery Connections team, our volunteers get involved in many aspects of our work. Opportunities include supporting the running of activity and support groups, to supporting our administration and reception teams. We strongly believe volunteers add immense value to Recovery Connections and we welcome anyone who aligns with our values and wants to make a difference. Most of our volunteers have accessed Recovery Connections, and many go on to become Ambassadors and work for the organisation.

Across the region we had volunteers and Ambassadors providing in person support contributing 9683 hours of support provided equating to an in kind contribution to the charity of £122,000.

We were re-assessed for Investors in Volunteers accreditation which we successfully retained. Volunteers regularly progress into paid employment with Recovery Connections, a legacy which we are incredibly proud of.

We commenced the Investors in People assessment process and achieved Gold accreditation. We were nominated for and won Investors in People Third Sector Employer of the Year.

Residential Rehab

Residential rehabilitation available for people that wish to complete an intense 6-month abstinence based programme. The programme focuses on building recovery capital, (We also offer a Daily attendance non-residential programme)

Campus Recovery Support in Teesside University, Middlesbrough College and Sunderland University

Recovery should be a reality for young people and we work to mobilise it within educational settings. We are leading the way in the development of support for students with addictions in education in Teesside and have created a pioneering campus recovery programme at Teesside University, Middlesbrough College and Sunderland University.

In addition to on campus support we have developed a University Recovery Friendly Campus pledge, Recovery Ally training and an online student focussed platform.

Trauma Therapy Service (Funded by The National Lottery Community Fund)

We employ two specialist staff delivering cross-service counselling, Peer-led Trauma support, education, bereavement groups and resilience programmes.

Employee Support Consultancy

We have developed a model to support organisations be more informed around addiction and the impact it can have on employees and the organisation. Within that we have also developed a model of support for employees that will prevent them from putting their employment and employer at risk. Training has been delivered to 5 companies across the Tees Valley.

Training

Building on the Employee Support package we have developed, several CPD accredited training packages are available to further our mission in reducing stigma associated with addiction.
We have trained 484 Recovery Allies across the region.

We have trained 117 staff and Ambassadors to deliver training.

ACHIEVEMENTS AND PERFORMANCE

Collaboration

Across all four localities we have built, and continue to build, strong connectivity and working relationships with a range of partners from a broad range of sectors. This is a key element of our work to ensure that the people we work with have access to a broad range of support. These include, but are not limited to, the following :

- Physical Wellbeing /Physical Activity providers
- Domestic Violence Services
- Advocacy and Welfare Providers
- Criminal Justice partners including Offender Management Teams and Prison Substance Misuse Teams
- Health (Primary and Secondary Care) - GPs and Community pharmacies / Sexual Health services / BBV Treatment and Care services. We also aim to develop closer links with Primary Care Networks and with our Integrated Care System
- Housing Providers and Homeless Services
- Mental Health Support - Support services (MIND) / Adult and Young Persons Mental Health services / Mental Health Trust: In-patient/in reach, continuing support on the ward (principally in Middlesbrough)
- Employment and Training - Job Centre Plus
- Criminal Justice - Probation Team joint-progress-working /Police at every level, including informal daily contact and shared 'street-level' understanding/trust (principally in Middlesbrough)
- Mutual Aid - Alcoholics/Narcotics/Cocaine Anonymous, SMART, Soberistas
- Children's and Adult Social Care
- School and Education services
- Children's and Families Services.
- Carers Services (Branches)
- Youth services
- Veterans/support
- Women's, older peoples and advocacy groups/services

As a lived experience recovery organisation (LERO), the building of community is founded on principles of trust, care, empathy, inclusivity, respect and achievement. Community Teams, Volunteers and Ambassadors represent success and lead by lived example. Investing in local social enterprises such as Cafes and Florist, and projects such as the Free Coffee Community Bike enables people to positively contribute and ensures that we are visible and seen as a positive force across the wider community. This is allied to a positive service-perception as a trusted partner across Health, Mental Health, Social Care and Criminal Justice.

We are regarded as a highly innovative and agile organisation; our model has attracted interest from academia, and we are regularly invited to speak at conferences and events.

People in recovery are drawn from all sections of society and many people that we work with are criminal justice system experienced, and are living with mental health conditions, living with neuro-diverse conditions and disabilities. We support individuals to build their emotional resilience, develop coping strategies and to focus on building their wellbeing. A key part of our work is building community and a sense of belonging and purpose - all of which reinforce resilience.

As true partners we have systematically built a shared vision, consistent Trauma-driven understanding ("has happened to" not "is wrong with"), and seamlessly integrated person-centred care. This core working drives the current service and already actively embraces wider provision (including Housing, Domestic Abuse and Welfare Support). A common Care-Management-System facilitates shared-working and reduced duplication, supported by formal Information-sharing and shared best-practice, protocols and training (including Risk/safeguarding).

Whilst our service and contracts are to deliver 'social' value and outcomes, we go beyond this to ensure everything we do as an organisation has maximum impact on the wellbeing of the communities we serve. Investing and building in the fabric, capacity, and resilience of the local community beyond the 'contract' in order build community assets that promote outcomes and help prevent and reduce dependency across all services.

Recovery Connections only recently engaged with the Investors in People Awards. We have been awarded Silver Accreditation - which is only awarded to 20% of organisations assessed by IIP.

Impact feedback

Community Coaching:

- *"Offered support to access mental health assessments, parenting courses, advocacy/support with social services, and housing support. Well done, great work!"*
- *"Deserves all the praise in the world and a massive pay rise. A caring and supportive person who fills everyone with confidence and wants the best for everyone."*

Trauma Support (Therapy Sessions):

- *"It's been lovely, we got to know each other and it was good. I got a lot off my chest. I would have continued if I hadn't moved out of the area."*
- *"I am really grateful, you've got me talking when nobody else has. I feel like I can tolerate stuff now which I couldn't before."*
- *"Amazing support, I feel like I can live and breathe again and I did not feel that way before therapy. I can now see light at the end of the tunnel."*

IPS (Individual Placement and Support):

- *"My new employment has had a huge impact on my overall wellbeing and sense of job satisfaction. I am excited to get to work every day, which I have never experienced before."*
- *"Helped with new CV, applying for work, getting CSCS card, and securing employment. 10/10 support."*
- *"Extremely kind and caring support. I can't recommend enough."*
- *"Now I am in employment, I am able to enjoy life more—financially and socially. It gives me pride and boosts my self-esteem."*
- *"Absolutely fantastic support. Much appreciated."*
- *"Changed me forever—I got the confidence to start living my life again and I'll never forget that."*
- *"Helped me into work, which improved my mood and reduced drinking. I feel happier and back on my feet."*
- *"Helped me get a part-time job and supported with emails. Outstanding support."*
- *"Great impact on my wellbeing and mental health. Being in work has broadened my horizons and increased my confidence."*

Events:

- *"Really enjoyed myself at the Christmas event—it was the best ever."*

Social Enterprise

In 2019 Recovery Connections formed another company Recovery Connections Enterprise Ltd, as a wholly owned subsidiary of the charity, four brands were developed to deliver on the revised mission, vision, and values. The social businesses are in Middlesbrough and exist primarily to:

- Offer work experience, training and employment for people who have been disenfranchised and are furthest away from the job market.
- Provide affordable hospitality, floristry, and catering to the Teesside community.
- Provide a sustainable business model that reduces food waste, carbon footprint and contributes to the Tees Valley Climate Change Strategy
- Challenge stigma and raise awareness of recovery through high street social businesses.
- Generate income to further deliver the charity mission.

RCE has an independent Board of Directors with board representation from Recovery Connections, the CEO oversees the operations of both entities.

The inclusion of the social enterprise group of businesses will enhance the opportunities available to beneficiaries. Employment and training opportunities are a challenge for people who have been away from the job market for lengthy periods. Opportunities to gain meaningful employment are particularly difficult if you have a criminal record or no work history. We are proud to provide a programme that offers robust employability and experience that positively impacts self-esteem, confidence and resilience.

FINANCIAL REVIEW

The charity is entirely reliant on income from Middlesbrough Council, IPS, Change, Grow, Live subcontract arrangements and several charitable grants. We do not raise funds through public giving or fund-raising events.

Risk Management

The board of trustees recognise the significant growth over the previous two years and view further growth into new areas, as a risk that needs to be carefully monitored and supported.

The review of organisational risks is reviewed at the board meetings and quality assurance & clinical governance meetings. The inclusion of a suitably qualified Finance Manager will provide a robust oversight for Recovery Connections and the social enterprise group of businesses.

Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to three months of unrestricted charitable expenditure which amounts to approximately £95,000. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

Total funds held at the year end amount to £1,562,799 (2024: £1,121,735) of which £224,940 is unrestricted (2024: £164,795) and £1,337,859 is restricted (2024: £956,940).

PLANS FOR FUTURE PERIODS

The Trustees also wish to diversify funding by seeking support for and contracts for new services in Middlesbrough and further afield based on Recovery Connection's reputation for providing user led recovery services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recovery Connections is a registered charity (no 1147748) and a limited company (no 06545431). In 2008 the organisation was initially established as a CIC named Hope North East by people 'in recovery' from drug and/or alcohol problems and was managed by three directors. In 2012 Hope North East was registered as a Charity. The organisation rebranded and changed its name to Recovery Connections following stakeholder consultation in 2016. The Charity retains a strong belief in the importance of involving members of the recovering community in the work of the organisation and is committed to always have 85% of employees with lived experience.

The Charity is governed by seven Trustees with relevant professional and lived experience. Trustees have powers to appoint further Trustees and do so following advertisement of vacancies. Training and induction are offered to new Trustees.

The Trustees meet monthly and keep the risks to the Charity under regular review. A comprehensive report detailing an overview of the organisation financially and operationally is covered at each board meeting.

The Middlesbrough Recovery & Abstinence contract required the organisation to be a registered provider with Care Quality Commission. The regulated activities and the wider registration requirements are set out in the Health and Social Care Act 2008 and its associated regulations. Following an unannounced inspection in January 2019, a rating of Outstanding was awarded by CQC.

We are the preferred sub-contractor for Change Grow Live delivering recovery specific interventions and rehabilitation programmes in Gateshead, Stockton, and Sunderland.

We delivery Individual Placement Support (IPS) across the South Tees, Stockton, Hartlepool, Darlington and Sunderland localities. IPS offers person centred support to people accessing treatment for drugs & alcohol to return to employment.

Key management Personnel remuneration

The Trustees consider the Board of Trustees and the CEO as comprising the key management personnel of the Charity leading the Strategic Direction and controlling the charity. The CEO and the Senior Management Team are responsible for running and operating the charity on a day-to-day basis. All trustees give their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the CEO, they withdraw from any decisions that may present a conflict of interest.

In setting the pay and remuneration for the charity's key management personnel we will compare the salaries to those of organisations similar to ourselves. We do this for not only the key management personnel but for all staff. Staff pay increases are usual a set percentage across all staff.

RESPONSIBILITIES OF MEMBERS OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of Recovery Connections for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in operation.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

TRUSTEE STATEMENT

In setting our objectives and planning our activities the Trustees have given careful guidance to the Charity Commission on public benefit.

This report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies.

The Report of the Trustees was approved by the Board of Trustees on 16th Dec 2025 and signed on its behalf by:

Ruth Hicks

Trustee - Ruth Hicks

Report of the Independent Auditors to the Members of Recovery Connections and Subsidiary Company

Opinion

We have audited the financial statements of Recovery Connections (the 'parent charitable company') and its subsidiary (the 'group) for the year ended 31 March 2025 which comprise the consolidated Statement of Financial Activities, the group and parent charitable company Balance Sheets, the consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements: -

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2025, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of Trustees, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:-

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the charity, we have considered applicable laws and regulations which may be fundamental to the charity's ability to operate or to avoid a material penalty, and we considered the extent to which non-compliance might have a material effect on the financial statements. We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate manual journal entries to manipulate financial performance, management bias in significant accounting estimates and any significant one-off or unusual transactions.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Auditors' responsibilities for the audit of the financial statements (continued)

Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging estimates and judgements made by management in their significant accounting estimates.
- Revenue recognition; agreeing a sample of revenue transactions to gain assurance over the occurrence and accuracy of revenue and also to ensure revenue has been recognised in the correct period.

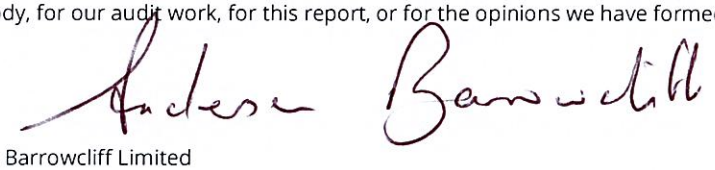
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Recovery Connections
and Subsidiary Company

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



For & on behalf of Anderson Barrowcliff Limited
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 22/12/2025.

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Statement of Financial Activities
(including income and expenditure account)
for the Year Ended 31 March 2025

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £
Income							
Donations & legacies	2	**6,651**	**661**	**7,312**	3,098	2,163	5,261
Charitable activities	3	**47,725**	**4,538,735**	**4,586,460**	45,755	3,054,353	3,100,128
Other trading activities	4	**148,384**	**-**	**148,384**	146,534	-	146,534
Investment income	5	**1,029**	**-**	**1,029**	991	-	991
Total Income		**203,789**	**4,539,396**	**4,743,185**	196,398	3,056,516	3,252,914
Expenditure:							
Raising funds	6	**381,447**	**-**	**381,447**	286,315	-	286,315
Charitable activities	7	**379,294**	**3,541,380**	**3,920,674**	297,371	2,603,046	2,900,417
Total resources expended		**760,741**	**3,541,380**	**4,302,121**	583,686	2,603,046	3,186,732
Net(outgoing)/incoming Resources before transfers		**(556,952)**	**998,016**	**441,064**	(387,288)	453,470	66,182
Gross transfers between funds	20	**617,097**	**(617,097)**	-	382,202	(382,202)	-
Net movement in funds		**60,145**	**380,919**	**441,064**	(5,086)	71,268	66,182
Funds brought forward 1 April 2024		**164,795**	**956,940**	**1,121,735**	169,881	885,672	1,055,553
Funds carried forward 31 March 2025	20	**224,940**	**1,337,859**	**1,562,799**	164,795	956,940	1,121,735

The notes on pages 15 to 27 form an integral part of these financial statements

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Balance Sheet As At 31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed Assets					
Tangible assets	12		**57,039**		57,544
Current Assets					
Stocks	14	**1,179**		1,248	
Debtors	15	**918,154**		729,766	
Cash at bank & in hand		**1,255,519**		588,588	
		2,174,852		1,319,602	
Creditors: Amounts falling due within one year	16	**(567,594)**		(237,401)	
Net Current Assets			**1,607,258**		1,082,201
Total assets less current liabilities			**1,664,297**		1,139,745
Creditors: Amounts falling due after more than one year	17		**(101,498)**		(18,010)
Net Assets			**1,562,799**		1,121,735
Income Funds					
Restricted funds	20		**1,337,859**		956,940
Unrestricted funds	20		**224,940**		164,795
			1,562,799		1,121,735

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 (the "Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

The trustees acknowledge their responsibilities for:

(a) ensuring that the charitable company keeps accounting records that 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 surplus or deficit for each 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 charitable company.

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

The financial statements were approved by the Trustees on 16th Dec 2025 and signed on their behalf by:

Ruth Hicks

Ruth Hicks
Trustee

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Charity Balance Sheet As At 31 March 2025

CHARITY	Notes	2025 £	2025 £	2024 £	2024 £
Fixed Assets					
Tangible assets	12		**26,942**		12,997
Investments	13		**1**		1
			26,943		12,998
Current Assets					
Debtors	15	**908,204**		738,582	
Cash at bank & in hand		**1,234,486**		579,942	
		2,142,690		1,318,524	
Creditors: Amounts falling due within one year	16	**(529,466)**		(200,648)	
Net Current Assets			**1,613,224**		1,117,876
Total assets less current liabilities			**1,640,167**		1,130,874
Creditors: Amounts falling due after more than one year	17		**(86,800)**		-
Net Assets			**1,553,367**		1,130,874
Restricted funds	20		**1,337,859**		956,940
Unrestricted funds	20		**215,508**		173,934
			1,533,367		1,130,874

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 (the "Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

The trustees acknowledge their responsibilities for:

(a) ensuring that the charitable company keeps accounting records that 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 surplus or deficit for each 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 charitable company.

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

The financial statements were approved by the Trustees on 16th Dec 2025 and signed on their behalf by:

Ruth Hicks
Trustee

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Cash Flow Statement
for the Year Ended 31 March 2025

	Notes	2025		2024	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26		**584,491**		(203,386)
Investing activities					
Purchase of tangible fixed assets	12	**(25,866)**		(10,514)	
			(25,866)		(10,514)
Financing activities					
Loans advanced		**124,000**		-	
Loan repayments		**(15,694)**		(3,182)	
Net cash generated from/(used in) financing activities			**108,306**		(3,182)
Net increase in cash and cash equivalents			**666,931**		(217,082)
Cash and cash equivalents at beginning of year			**588,588**		805,670
Cash and cash equivalents at end of year			**1,255,519**		588,588

1 ACCOUNTING POLICIES

Charity information

Recovery Connections is a private company limited by guarantee incorporated in England & Wales. The registered office is given in the group information on page 1 of these financial statements. The nature of the group's operations and its principal activities are set out in the Report of the Trustees on page 2.

1.1 Basis of Preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Recovery Connections Enterprises Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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 funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1 ACCOUNTING POLICIES - continued

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the notes to the accounts.

The grants are recognised using the accrual model.

There is no netting off of expenditure within the accounts.

1.5 Expenditure

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

Expenditure is classified under the following headings: -

- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities. It includes both costs which can be directly allocated to activities and those costs of an indirect nature.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs.
- Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

1.6 Tangible Fixed Assets

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 basis: -

Leasehold improvements	10% straight line
Plant & machinery	20% straight line
Fixtures & fittings	25% straight line
Office equipment	33% straight line
Motor vehicles	20 / 25% straight line

1 ACCOUNTING POLICIES – continued

1.7 Investments
Fixed asset investments are valued at cost. This represents the investment in the 100% subsidiary.

1.8 Stocks
Stocks are stated at the lower of cost and its net realisable value.

1.9 Cash and Cash Equivalents
Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of one year or less from the date of acquisition or opening of the deposit or similar account.

1.10 Debtors and Creditors Receivable/Payable Within One Year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.11 Pension Costs
The company operates a defined contribution pension scheme for all employees. The company contributions are charged to the SOFA in the period to which they relate.

1.12 Taxation
The charity is exempt from corporation tax on its charitable activities.

1.13 Operating Leases
Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

1.14 Judgements and Key Sources of Estimation Uncertainty
In the application of the charitable company's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 DONATIONS AND LEGACIES

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total 2025 £	Unrestricted Funds 2024 £
Donations and gifts	**6,651**	**661**	**7,312**	5,261
	6,651	**661**	**7,312**	5,261

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total 2025 £	Total 2024 £
Supported housing	-	**62,015**	**62,015**	79,123
Recovery service	-	**3,314,838**	**3,314,838**	2,169,316
Project Adder Housing project	-	**147,680**	**147,680**	142,000
IPS employment services	-	**638,473**	**638,473**	564,282
Other grants and service contracts	**47,725**	**375,729**	**423,454**	145,407
	47,725	**4,538,735**	**4,586,460**	3,100,128

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds 2025 £	Unrestricted Funds 2024 £
Income from trading subsidiary	**148,384**	146,534

Income above is broken down as follows;

	2025 £	2024 £
Sales of goods and services	**143,394**	101,404
Hendon grant	**-**	40,000
Capital grant released	**4,890**	4,890
Other sundry donations	**100**	240
	148,384	146,534

5 INVESTMENT INCOME

	Unrestricted funds 2025 £	Unrestricted Funds 2024 £
Bank interest received	**1,029**	991
	1,029	991

6 RAISING FUNDS

	Unrestricted Funds 2025 £	Unrestricted Funds 2024 £
Trading Costs		
Staff costs	**202,274**	140,301
Direct and other support costs	**179,173**	146,014
	381,447	286,315
Trading costs	**381,447**	286,315

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £
Direct costs						
Staff costs	**36,190**	**2,857,635**	**2,893,825**	38,106	2,063,434	2,101,540
Staff and volunteer travel	**2,510**	**35,205**	**37,715**	8,754	30,026	38,780
Service user costs	**217**	**65,795**	**66,012**	1,470	62,318	63,788
Allotment costs	**-**	**11,935**	**11,935**	-	2,231	2,231
Event costs	**10,903**	**21,583**	**32,486**	1,825	2,620	4,445
Vehicle costs	**28,798**	**9,794**	**38,592**	7,077	5,885	12,962
Publicity	**1,478**	**18,042**	**19,520**	(7,351)	15,346	7,995
Consultancy	**245**	**29,079**	**29,324**	1,037	5,210	6,247
Programme and licence	**-**	**16,573**	**16,573**	1,628	7,095	8,723
Healthcare and monitoring	**3,572**	**19,963**	**23,535**	1,077	9,499	10,576
Building cost	**-**	**23,472**	**23,472**	-	90,000	90,000
Totals	**83,913**	**3,109,076**	**3,192,989**	53,623	2,293,664	2,347,287
Support costs						
Staff costs	**194,655**	**-**	**194,655**	167,800	16,309	184,109
Depreciation	**-**	**11,920**	**11,920**	-	8,200	8,200
Computer running costs	**7,066**	**39,906**	**46,972**	1,441	24,626	26,067
Cleaning and sundry expenses	**3,115**	**38,076**	**41,191**	1,062	53,839	54,901
DBS check	**1,264**	**4,710**	**5,974**	444	2,739	3,183
Insurance	**5,323**	**33,536**	**38,859**	13,737	27,889	41,626
Training	**2,318**	**79,573**	**81,891**	1,341	47,829	49,170
Light & heat	**-**	**28,667**	**28,667**	-	22,259	22,259
Telephone	**2,528**	**15,135**	**17,663**	1,159	12,339	13,498
PPS	**60**	**3,686**	**3,746**	88	3,982	4,070
Repairs	**574**	**68,339**	**68,913**	-	12,988	12,988
Recruitment costs	**805**	**48**	**853**	391	570	961
Rent & rates	**-**	**105,733**	**105,733**	-	70,521	70,521
Bank charges	**4,642**	**116**	**4,758**	1,257	-	1,257
Loan interest	**4,468**	**-**	**4,468**	-	-	-
Irrecoverable VAT	**46,348**	**-**	**46,348**	28,492	-	28,492
Governance costs 8	**22,215**	**2,859**	**25,074**	26,536	5,292	31,828
	295,381	**432,304**	**727,685**	243,748	309,382	553,130
	379,294	**3,541,380**	**3,920,674**	297,371	2,603,046	2,900,417

8 GOVENANCE COSTS

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £
Accountancy	**7,455**	**-**	**7,455**	6,631	-	6,631
Audit	**12,500**	**-**	**12,500**	10,500	-	10,500
Legal fees	**2,260**	**2,859**	**5,119**	9,405	5,292	9,405
	22,215	**2,859**	**25,074**	26,536	5,292	31,828

9 NET INCOME FOR THE YEAR

This is stated after charging:-	2025 £	2024 £
Depreciation	**26,371**	23,333
Auditors' remuneration - for audit	**10,500**	10,500
- for accountancy	**4,625**	2,625

10 TRUSTEES

No trustee received any remuneration or expenses during the period (2024: £Nil). No trustee or other person related to the charity had any personal interest in any other contracts or transactions entered into by the charity during the period (2024: £Nil).

11 EMPLOYEES

	2025 Number	2024 Number
The average monthly number of employees during the year was	**124**	98

Employment costs	2025 £	2024 £
Wages and salaries	**3,013,417**	2,191,082
Social security costs	**255,571**	192,865
Other pension costs	**53,773**	40,230
	3,322,761	2,424,177

The number of employees whose total emoluments (excluding employer pension costs) for the reporting period in the following bands was:

	2025 number	2024 Number
£60,000 to £70,000 p.a.	**1**	1
	1	1

Notes to the Accounts for the Year Ended 31 March 2025

12 TANGIBLE FIXED ASSETS

CONSOLIDATED	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2024	**31,944**	**23,223**	**39,438**	**40,784**	**49,235**	**184,624**
Additions	**4,800**	**-**	**-**	**21,066**	**-**	**25,866**
At 31 March 2025	**36,744**	**23,223**	**39,438**	**61,850**	**49,235**	**210,490**
Depreciation and impairment						
At 1 April 2024	**10,679**	**16,646**	**35,155**	**29,532**	**35,068**	**127,080**
Depreciation charged in year	**4,035**	**2,638**	**2,700**	**10,198**	**6,800**	**26,371**
At 31 March 2025	**14,714**	**19,284**	**37,855**	**39,730**	**41,868**	**153,451**
Carrying amount						
At 31 March 2025	**22,030**	**3,939**	**1,583**	**22,120**	**7,367**	**57,039**
At 31 March 2024	21,265	6,577	4,283	11,252	13,807	57,544

CHARITY	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2024	**1,061**	**8,034**	**31,062**	**38,875**	**15,235**	**94,267**
Additions	**4,800**	**-**	**-**	**21,066**	**-**	**25,866**
At 31 March 2025	**5,861**	**8,034**	**31,062**	**59,941**	**15,235**	**120,133**
Depreciation and impairment						
At 1 April 2024	**615**	**8,034**	**29,443**	**27,943**	**15,235**	**81,270**
Depreciation charged in year	**947**	**-**	**1,096**	**9,878**	**-**	**11,921**
At 31 March 2025	**1,562**	**8,034**	**30,539**	**37,821**	**15,235**	**93,191**
Carrying amount						
At 31 March 2025	**4,299**	**-**	**523**	**22,120**	**-**	**26,942**
At 31 March 2024	446	-	1,619	10,932	-	12,997

13 SUBSIDIARIES

These financial statements are separate financial statements for Recovery Connections.

Details of the charity's subsidiaries at 31 March 2025 are as follows: -

Name of Undertaking	Registered Office	Nature of Business	Class of Shares held	% Held Direct/Indirect
Recovery Connections Enterprise Limited	UK	Restaurants, event space and florist	1	100.00

Recovery Connections Enterprise Limited (company number: 12079629) was incorporated on 2 July 2019 and is a wholly owned subsidiary of Recovery Connections Limited. A summary of the results of the subsidiary are shown below:-

	2025	2024
	£	£
Turnover	**330,681**	203,912
Cost of sales	**(292,612)**	(206,331)
Gross (loss)/profit	**38,069**	(2,419)
Administrative expenses	**(88,339)**	(79,441)
Other operating income	**4,990**	45,130
Interest payable and similar expenses	**(496)**	(543)
Loss for the financial year	**(45,776)**	(37,273)

The aggregate of the assets, liabilities and funds was:-

	£	£
Assets	**65,550**	65,051
Liabilities	**(350,529)**	(280,437)
Non-current liabilities	**(14,698)**	(18,011)
	(299,677)	(253,901)
Called up share capital	1	1
Profit & loss reserves	**(299,678)**	(253,902)
	(299,677)	(253,901)

14 STOCKS

CONSOLIDATED	**2025**	2025
	£	£
Finished goods and goods for resale	**1,179**	1,248

CHARITY	**2025**	2024
	£	£
Finished goods and goods for resale	**-**	-

15 DEBTORS

CONSOLIDATED	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	**781,063**	586,703
VAT	**9,930**	3,634
Other debtors	**29,740**	23,881
Prepayments and accrued income	**97,421**	115,548
	918,154	729,766

CHARITY	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	**779,305**	580,587
Amounts owed by subsidiary undertakings	**-**	15,096
VAT	**15,542**	7,963
Other debtors	**27,414**	23,881
Prepayments and accrued income	**85,943**	111,055
	908,204	738,582

16 CREDITORS: Amounts falling due within one year:

CONSOLIDATED	Notes	2025 £	2024 £
Bank loans	18	**28,114**	3,231
Other taxation and social security		**61,783**	42,455
Deferred income	19	**346,597**	138,626
Trade creditors		**64,389**	19,335
Other creditors		**18,526**	15,099
Accruals		**48,185**	18,655
		567,594	237,401

CHARITY	Notes	2025 £	2024 £
Bank loans	18	**24,800**	40,217
Other taxation and social security		**59,542**	40,217
Deferred income	19	**340,924**	126,001
Trade creditors		**48,516**	9,262
Other creditors		**12,475**	11,922
Accruals		**43,209**	13,246
		529,466	200,648

Notes to the Accounts for the Year Ended 31 March 2025

17 CREDITORS: Amounts falling due after more than one year:

CONSOLIDATED	Notes	2025 £	2024 £
Bank loans	18	**101,498**	18,010
CHARITY			
Bank loans		**86,800**	-

18 LOANS AND OVERDRAFTS

CONSOLIDATED	2025 £	2024 £
Bank loans	**129,612**	21,241
Payable within one year	**28,114**	3,231
Payable one to five years	**100,913**	14,063
Payable over five years	**585**	3,947
	129,612	21,241
CHARITY		
Bank loans	**111,600**	-
Payable within one year	**24,800**	-
Payable one to five years	**86,800**	-
Payable over five years	-	-
	111,600	-

The long-term loans are unsecured. One loan was obtained as part of the Coronavirus "Bounce Back Loans" scheme. The loan advanced during the year was taken to help the Charity purchase a building, ensuring it could continue operating its Social Enterprises.

19 DEFERRED INCOME

CONSOLIDATED	2025 £	2024 £
Other deferred income	**346,597**	138,626
CHARITY		
Other deferred income	**340,924**	126,001

Deferred income compromises funding received in advance for projects over a specific time period which is for future periods or overlaps the year end. Also, included in deferred income is a capital grant released over the life of the asset.

20 MOVEMENT IN 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:

CONSOLIDATED	Balance at 1 April 2024	Movement in Funds: Incoming resources	Movement in Funds: Resources expended	Movement in Funds: Transfers	Balance at 31 March 2025
	£	£	£	£	£
Recovery Service (MBC)	28,239	614,044	(556,411)	(71,896)	**13,976**
Universal Grant (MBC)	117,945	133,406	(98,672)	(24,235)	**128,444**
Recovery Service (CGL Gateshead)	187,824	665,398	(590,863)	(81,695)	**180,664**
Recovery Service (Sunderland)	49,217	316,739	(284,208)	(37,959)	**43,789**
Recovery Service (Stockton)	57,421	282,333	(228,319)	(49,071)	**62,364**
Other grants	5,392	127,587	(92,404)	(12,319)	**28,256**
Building Capacity Project (LERO)	-	72,798	(20,000)	-	**52,798**
Redcar	-	626,914	(354,614)	(65,420)	**206,880**
Hampshire	-	42,500	(21,124)	(3,834)	**17,542**
National Lottery	35,642	33,818	(45,178)	(4,148)	**20,134**
Peer Advocacy (Stockton)	52,827	200,150	(190,278)	(23,771)	**38,928**
Recovery Service (Hartlepool)	824	72,150	(64,864)	(8,100)	**10**
Project Adder Housing Project (MBC)	132,709	147,680	(107,963)	(26,637)	**145,789**
IPS employment services (MBC)	89,416	146,985	(125,707)	(42,606)	**68,088**
Boxing Gym (MBC)	5,052	-	(3,432)	-	**1,620**
IPS employment services (Sunderland)	3,803	184,762	(142,483)	(27,838)	**18,244**
Changing Futures (Sunderland)	7,836	73,412	(49,972)	(31,276)	**-**
IPS employment services (Stockton)	52,687	222,676	(201,143)	(20,985)	**53,235**
Recovery Service (Darlington)	122,947	492,000	(286,783)	(76,295)	**251,869**
IPS employment services (Darlington)	7,159	84,044	(76,962)	(9,012)	**5,229**
	956,940	4,539,396	(3,541,380)	(617,097)	**1,337,859**
Unrestricted Funds	418,697	55,405	(379,294)	429,811	**524,619**
Trading subsidiary	(253,902)	148,384	(381,447)	187,286	**(299,679)**
	1,121,735	4,743,185	(4,302,121)	-	**1,562,799**

We have been the Abstinence and Recovery contract holders on behalf of Middlesbrough Council since October 2017, Darlington since October 2023, Hartlepool Council since October 2023, Hampshire since October 2024 and Redcar & Cleveland since April 2024.

Since November 2018 Recovery Connections has been subcontracted to work with Gateshead Recovery Partnership in relation to providing integrated drug and alcohol recovery services. The contract is scheduled to run until October 2026.

As a sub-contractor of CGL we provide lived experience recovery support as part of Stockton and Sunderland Recovery Service.

The LERO Capacity Building grant is led by Recovery Connections and a consortium of lived experience recovery organisations to support the development of small and emerging LEROs in England.

Included within other grants:

MHWP
SSA – Collegiate program

Transfers from restricted funds to unrestricted funds in the year relate to management charges, restricted expenditure eliminated on consolidation.

20 MOVEMENT IN FUNDS (continued)

CONSOLIDATED	Balance at 1 April 2023	Movement in Funds: Incoming resources	Movement in Funds: Resources expended	Movement in Funds: Transfers	Balance at 31 March 2024
	£	£	£	£	£
Recovery Service (MBC)	62,950	595,313	(482,678)	(147,346)	**28,239**
Universal Grant (MBC)	115,802	133,400	(117,917)	(13,340)	**117,945**
Recovery Service (CGL Gateshead)	79,630	591,967	(426,148)	(57,625)	**187,824**
Recovery Service (Sunderland)	47,800	232,545	(207,427)	(23,701)	**49,217**
Recovery Service (Stockton)	88,032	200,093	(209,800)	(20,904)	**57,421**
Other grants	86,703	30,995	(32,141)	-	**5,392**
National Lottery	-	47,475	(88,250)	(3,748)	**35,642**
Peer Advocacy (Stockton)		66,667	(7,173)	(6,667)	**52,827**
Recovery Service (Hartlepool)		10,000	(9,176)	-	**824**
Project Adder Housing Project (MBC)	243,590	142,000	(238,681)	(14,200)	**132,709**
IPS employment services (MBC)	85,289	141,411	(124,428)	(12,856)	**89,416**
Telephone Support Line (MBC)	6,463	-	(6,463)	-	**-**
Boxing Gym (MBC)	14,336	-	(9,284)	-	**5,052**
IPS employment services (Sunderland)	1,890	116,417	(103,818)	(10,686)	**3,803**
Changing futures (Sunderland)	3,936	118,483	(103,924)	(10,659)	**7,836**
IPS employment services (Stockton)	43,439	219,434	(190,532)	(19,654)	**52,687**
Recovery Service (Darlington)	1,858	323,295	(170,124)	(32,082)	**122,947**
IPS employment services (Darlington)	3,954	87,021	(75,082)	(8,734)	**7,159**
	885,672	3,056,516	(2,603,046)	(382,202)	**956,940**
Unrestricted Funds	386,510	49,864	(297,371)	279,694	**418,697**
Trading subsidiary	(216,629)	146,534	(286,315)	102,508	**(253,902)**
	1,055,553	3,252,914	(3,186,732)	-	**1,121,735**

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2025	Restricted Funds 2025	Total 2025	Unrestricted Funds 2024	Restricted Funds 2024	Total 2024
	£	£	£	£	£	£
Fund balances at 31 March 2025 are represented by:						
Tangible assets	**57,039**	**-**	**57,039**	57,544	-	57,544
Current assets/(liabilities)	**269,399**	**1,337,859**	**1,007,258**	125,261	956,940	1,082,201
Long term liabilities	**(101,498)**	**-**	**(101,498)**	(18,010)	-	(18,010)
	224,940	**1,337,859**	**1,562,799**	164,795	956,940	1,121,735

22 OPERATING LEASE COMMITMENTS

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

	2025	2024
	£	£
Within one year	**60,000**	15,000
Within one to five years	**9,637**	22,500
	69,637	37,500

Lease payments recognised as an expense in the year amounted to £30,000.

23 RELATED PARTY TRANSACTIONS

Remuneration of key management personnel
The remuneration of key management personnel is as follows: -

	2025 £	2024 £
Aggregate compensation	**251,543**	199,348

Key management personnel consisting of the senior leadership team.

There were no related party transactions in the year.

24 RESULTS OF PARENT

	2025 £	2024 £
Total incoming resources	**4,594,801**	3,106,380
Net movement in funds	**402,493**	103,459

In the previous year the charity provided a bad debt provision amounting to £64,325 against its subsidiary debtor balance. This provision was eliminated on consolidation.

25 PENSIONS

The charity operates a contributory defined contribution pension scheme for all employees. The charity contributions are charged to the Statement of Financial Activities in the period to which they relate. £53,773 was paid in contributions during the year (2024: £40,230). The amount outstanding at 31 March 2025 was £11,912 (2024: £8,602).

26 CASH GENERATED FROM OPERATIONS

	2025 £	2024 £
Surplus for the year	**441,129**	66,182
Adjustments for:		
Depreciation of tangible fixed assets	**26,371**	23,333
Movements in working capital:		
Decrease / (Increase) in stocks	**69**	(166)
(Increase) in debtors	**(188,388)**	(338,065)
Increase in creditors	**305,310**	45,330
Cash generated from operations	**584,491**	(203,386)

27 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2024 £	Cash Flows £	At 31 March 2025 £
Cash at bank and in hand	588,588	666,931	**1,255,519**
Loans falling due within one year	(3,231)	(24,883)	**(28,114)**
Loans falling due after more than one year	(18,010)	(83,488)	**(101,498)**
	567,347	558,560	**1,125,907**

RECOVERY CONNECTIONS

England & Wales - Charity number 1147748

Accounts

Recovery Connections and Subsidiary Company

(Limited by Guarantee)

Trustees' Report and Consolidated Financial Statements for the Year Ended 31 March 2024

ANDERSON BARROWCLIFF LIMITED
Chartered Accountants

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Financial Statements
for the Year Ended 31 March 2024

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Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Legal and Administrative Details
for the Year Ended 31 March 2024

COMPANY REGISTRATION NUMBER:	06545431
CHARITY REGISTRATION NUMBER:	1147748
REGISTERED OFFICE:	Bedford House 1st Floor 112 Linthorpe Road Middlesbrough United Kingdom TS1 2JR
TRUSTEES:	Ruth Hicks - Chairperson David Barras Daniel Galloway David Barras Sophie Turton Georgios Antonopoulos – resigned 1 June 2023 Nick Wallis – resigned 28 August 2023 Valerie Hearn – resigned 4 April 2023 William McGovern – resigned 1 July 2023 Matthew Bower – appointed 31 October 2023, resigned 4 August 2024 Dr David Patton – appointed 1 June 2023, resigned 1 August 2024 Amy Dryden – appointed 30 April 2024
CHIEF EXECUTIVE OFFICER:	Dorothy Smith
BANKERS:	National Westminster Bank Plc 106 Linthorpe Road Middlesbrough United Kingdom TS1 2JX
AUDITORS:	Anderson Barrowcliff Limited Chartered Accountants 3 Kingfisher Court Bowesfield Park Stockton on Tees TS18 3EX

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Report of the Trustees (including Directors Report)
Year Ended 31 March 2024

The Trustees present their report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply 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)".

OBJECTIVES AND ACTIVITIES

As part of a review of the areas of delivery and recipients of the charity's objectives, an amendment was made in October 2018 by special resolution. Article 4 was replaced with; To relieve the suffering of individuals and families resident in the North of England, who suffer from or are affected by: - a. Substance misuse; b. Isolation; c. Poverty; d. Unemployment; e. Offending; f. Homelessness; g. Trauma; h. Mental health issues; or i. Related complex needs, by providing peer-led training, support and assistance.

Provision of Services

Recovery Connections offer a range of opportunities that can help build recovery capital and achieve lasting positive change. The aim of our support is also to offer a range of opportunities to develop community, build peer networks and incorporate structure and purpose into daily routine. Raising the profile of recovery and challenging stigma is a key aim of everything we do.

Across Middlesbrough, Gateshead, Sunderland, Darlington, Hartlepool and Stockton our day-to-day basis is focussed on helping to build recovery capital within individuals and within the recovery community. We offer opportunities for people in recovery to help build their peer networks and community networks and to add purpose into their daily routine. We focus on individual strengths and have a 'do with' rather than a 'do for' approach to support. We have also created alliances with many organisations to further help build opportunities and paths into local communities.

We achieve our mission through a range of evidence-based interventions supporting over 2000 people who collectively attended 10368 structured groups and activities.

Our core projects include:

Recovery Support

The Recovery Coaching programme helps individuals navigate their way through their own journey of recovery and build recovery capital.

Community Activity Work

We offer a wide range of activities and programmes that aim to help people through their recovery, these include, but are not limited to, a Community Garden, Choir, Cooking, Sports Activities, Gender Specific groups, Yoga and Meditation, Orienteering and a range of evidence based therapeutic psychosocial programmes.

Employment Advice

We understand that working towards main life goals such as employment, training or education can be challenging, and we offer advice and support to prepare the people for the onward steps in their recovery pathway through IPS and Collegiate Recovery. IPS has supported 93 people into sustainable employment this year.

The Ambassador Programme

We believe that providing the benefit of lived experience and proof that abstinence-based recovery is possible led us to create The Ambassador Programme. The Ambassador programme is an opportunity for anyone in abstinence-based recovery to become part of the contracted and subcontracted services as a visible recovery role model. The programme includes a bespoke level 2 OCN accredited qualification that underpins the role of an Ambassador.

Across all projects, we have trained 34 Ambassadors this year.

Volunteering

As members of the Recovery Connections team, our volunteers get involved in many aspects of our work. Opportunities include supporting the running of activity and support groups, to supporting our administration and reception teams. We strongly believe volunteers add immense value to Recovery Connections and we welcome anyone who aligns with our values and wants to make a difference. Most of our volunteers have accessed Recovery Connections, and many go on to become Ambassadors and work for the organisation.

Across the region we had 126 volunteers providing in person and online support contributing 4257 hours of support provided. We employed 19 people who had completed the Ambassador programme.

We were re-assessed for Investors in Volunteers accreditation which we successfully retained. Volunteers regularly progress into paid employment with Recovery Connections, a legacy which we are incredibly proud of.

We commenced the Investors in People assessment process and achieved a Silver accreditation.

Residential Rehab

Residential rehabilitation available for people that wish to complete an intense 6-month abstinence based programme. The programme promotes honesty, patience and tolerance, as well as giving back as a solution to heal and recover (We also offer a Daily attendance non-residential programme).

Campus Recovery Support in Teesside University, Middlesbrough College and Sunderland University

Recovery should be a reality for young people, and we work to mobilise it within educational settings. We are leading the way in the development of support for students with addictions in education in Teesside and have created a pioneering campus recovery programme at Teesside University, Middlesbrough College and Sunderland University.

In addition to on campus support we have developed a University Recovery Friendly Campus pledge, Recovery Ally training and an online student focussed platform.

Trauma Therapy Service (Funded by The National Lottery Community Fund)

We employ two specialist staff delivering cross-service counselling, Peer-led Trauma support, education, bereavement groups and resilience programmes.

Employee Support Consultancy

We have developed a model to support organisations be more informed around addiction and the impact it can have on employees and the organisation. Within that we have also developed a model of support for employees that will prevent them from putting their employment and employer at risk. This has been commissioned by one of Teesside's largest providers and once piloted we aim to offer this out to other companies.

Training

Building on the Employee Support package we have developed, several CPD accredited training packages are available to further our mission in reducing stigma associated with addiction.
We have trained 530 Recovery Allies across the region.

ACHIEVEMENTS AND PERFORMANCE

Collaboration

Across all four localities we have built, and continue to build, strong connectivity and working relationships with a range of partners from a broad range of sectors. This is a key element of our work to ensure that the people we work with have access to a broad range of support. These include, but are not limited to, the following:

- Physical Wellbeing /Physical Activity providers
- Domestic Violence Services
- Advocacy and Welfare Providers
- Criminal Justice partners including Offender Management Teams and Prison Substance Misuse Teams
- Health (Primary and Secondary Care) - GPs and Community pharmacies / Sexual Health services / BBV Treatment and Care services. We also aim to develop closer links with Primary Care Networks and with our Integrated Care System
- Housing Providers and Homeless Services
- Mental Health Support - Support services (MIND) / Adult and Young Persons Mental Health services / Mental Health Trust: In-patient/in reach, continuing support on the ward (principally in Middlesbrough)
- Employment and Training - Job Centre Plus
- Criminal Justice - Probation Team joint-progress-working /Police at every level, including informal daily contact and shared 'street-level' understanding/trust (principally in Middlesbrough)
- Mutual Aid - Alcoholics/Narcotics/Cocaine Anonymous, SMART, Soberistas
- Children's and Adult Social Care
- School and Education services
- Children's and Families Services.
- Carers Services (Branches)
- Youth services
- Veterans/support
- Women's, older peoples and advocacy groups/services

As a lived experience recovery organisation (LERO), the building of community is founded on principles of trust, care, empathy, inclusivity, respect and achievement. Community Teams, Volunteers and Ambassadors represent success and lead by lived example. Investing in local social enterprises such as Cafes and Florist, and projects such as the Free Coffee Community Bike enables people to positively contribute and ensures that we are visible and seen as a positive force across the wider community. This is allied to a positive service-perception as a trusted partner across Health, Mental Health, Social Care and Criminal Justice.

We are regarded as a highly innovative and agile organisation; our model has attracted interest from academia, and we are regularly invited to speak at conferences and events.

People in recovery are drawn from all sections of society and many people that we work with are criminal justice system experienced, and are living with mental health conditions, living with neuro-diverse conditions and disabilities. We support individuals to build their emotional resilience, develop coping strategies and to focus on building their wellbeing. A key part of our work is building community and a sense of belonging and purpose - all of which reinforce resilience.

As true partners we have systematically built a shared vision, consistent Trauma-driven understanding ("has happened to" not "is wrong with"), and seamlessly integrated person-centred care. This core working drives the current service and already actively embraces wider provision (including Housing, Domestic Abuse and Welfare Support). A common Care-Management-System facilitates shared-working and reduced duplication, supported by formal Information-sharing and shared best-practice, protocols and training (including Risk/safeguarding).

Whilst our service and contracts are to deliver 'social' value and outcomes, we go beyond this to ensure everything we do as an organisation has maximum impact on the wellbeing of the communities we serve. Investing and building in the fabric, capacity, and resilience of the local community beyond the 'contract' in order build community assets that promote outcomes and help prevent and reduce dependency across all services.

Recovery Connections only recently engaged with the Investors in People Awards. We have been awarded Silver Accreditation - which is only awarded to 20% of organisations assessed by IIP.

Impact feedback

"My confidence in myself has improved greatly and has helped with my recovery in having the support to help with interview techniques and getting potential employers to understand my situation. I have now passed my driving test and hopefully I have just got accepted for a potential job".

"I've enjoyed coming to therapy and I feel like it has helped me to understand some of my thoughts and behaviours better and what I need from life going forward".

"I have found IPS very helpful and supportive. My worker is very understanding and a very good listener. I feel as though they have had a massive impact within my recovery. I'm grateful of their support."

"Released from Prison today attended my appointment and Recovery connections cooking group. Really thankful to all staff today for the help and support."

"I really enjoyed the sober social although I was a little nervous to start with, I have met some amazing people thank you for inviting me".

"Recovery Connections saved my life, having somewhere to go where staff know exactly what you are going through is a life saver".

Social Enterprise

In 2019 Recovery Connections formed another company Recovery Connections Enterprise Ltd, as a wholly owned subsidiary of the charity, four brands were developed to deliver on the revised mission, vision, and values. The social businesses are in Middlesbrough and exist primarily to:

- Offer work experience, training and employment for people who have been disenfranchised and are furthest away from the job market.
- Provide affordable hospitality, floristry, and catering to the Teesside community.
- Provide a sustainable business model that reduces food waste, carbon footprint and contributes to the Tees Valley Climate Change Strategy
- Challenge stigma and raise awareness of recovery through high street social businesses.
- Generate income to further deliver the charity mission.

RCE has an independent Board of Directors with board representation from Recovery Connections, the CEO oversees the operations of both entities.

The inclusion of the social enterprise group of businesses will enhance the opportunities available to beneficiaries. Employment and training opportunities are a challenge for people who have been away from the job market for lengthy periods. Opportunities to gain meaningful employment are particularly difficult if you have a criminal record or no work history. We are proud to provide a programme that offers robust employability and experience that positively impacts self-esteem, confidence and resilience.

FINANCIAL REVIEW

The charity is entirely reliant on income from Middlesbrough Recovering Together, IPS, Change, Grow, Live subcontract arrangement and several charitable grants. We do not raise funds through public giving or fund raising events.

Risk Management

The board of trustees recognise the significant growth over the previous two years and view further growth into new areas, as a risk that needs to be carefully monitored and supported.

The review of organisational risks is reviewed at the board meetings and quality assurance & clinical governance meetings. The inclusion of a suitably qualified Finance Manager will provide a robust oversight for Recovery Connections and the social enterprise group of businesses.

Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to three months of unrestricted charitable expenditure which amounts to £89,000. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

Total funds held at the year end amount to £1,121,735 (2023: £1,055,553) of which £164,795 is unrestricted (2023: £169,881) and £956,940 is restricted (2023: £885,672).

PLANS FOR FUTURE PERIODS

The Trustees also wish to diversify funding by seeking support for and contracts for new services in Middlesbrough and further afield based on Recovery Connection's reputation for providing user led recovery services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recovery Connections is a registered charity (no 1147748) and a limited company (no 06545431). In 2008 the organisation was initially established as a CIC named Hope North East by people 'in recovery' from drug and/or alcohol problems and was managed by three directors. In 2012 Hope North East was registered as a Charity. The organisation rebranded and changed its name to Recovery Connections following stakeholder consultation in 2016. The Charity retains a strong belief in the importance of involving members of the recovering community in the work of the organisation and is committed to always have 85% of employees with lived experience.

The Charity is governed by seven Trustees with relevant professional and lived experience. Trustees have powers to appoint further Trustees and do so following advertisement of vacancies. Training and induction are offered to new Trustees.

The Trustees meet monthly and keep the risks to the Charity under regular review. A comprehensive report detailing an overview of the organisation financially and operationally is covered at each board meeting.

The Middlesbrough Recovery & Abstinence contract required the organisation to be a registered provider with Care Quality Commission. The regulated activities and the wider registration requirements are set out in the Health and Social Care Act 2008 and its associated regulations. Following an unannounced inspection in January 2019, a rating of Outstanding was awarded by CQC.

We are the preferred sub-contractor for Change Grow Live delivering recovery specific interventions and rehabilitation programmes in Gateshead, Stockton, and Sunderland.

We deliver Individual Placement Support (IPS) across the South Tees, Stockton, Hartlepool, Darlington and Sunderland localities. IPS offers person centred support to people accessing treatment for drugs & alcohol to return to employment.

Key management Personnel remuneration
The Trustees consider the Board of Trustees and the CEO as comprising the key management personnel of the Charity leading the Strategic Direction and controlling the charity. The CEO and the Senior Management Team are responsible for running and operating the charity on a day-to-day basis. All trustees give their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the CEO, they withdraw from any decisions that may present a conflict of interest.

Report of the Trustees (including Directors Report)
Year Ended 31 March 2024

RESPONSIBILITIES OF MEMBERS OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of Recovery Connections for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and of their incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in operation.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

TRUSTEE STATEMENT

In setting our objectives and planning our activities the Trustees have given careful guidance to the Charity Commission on public benefit.

The Report of the Trustees was approved by the Board of Trustees on 17.12.24 and signed on its behalf by:

Ruth Hicks

Trustee - Ruth Hicks

Report of the Independent Auditors to the Members of Recovery Connections and Subsidiary Company

Opinion

We have audited the financial statements of Recovery Connections (the 'parent charitable company') and its subsidiary (the 'group) for the year ended 31 March 2024 which comprise the consolidated Statement of Financial Activities, the group and parent charitable company Balance Sheets, the consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements: -

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of Trustees, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:-

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the charity, we have considered applicable laws and regulations which may be fundamental to the charity's ability to operate or to avoid a material penalty, and we considered the extent to which non-compliance might have a material effect on the financial statements. We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate manual journal entries to manipulate financial performance, management bias in significant accounting estimates and any significant one-off or unusual transactions.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Auditors' responsibilities for the audit of the financial statements (continued)

Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging estimates and judgements made by management in their significant accounting estimates.
- Revenue recognition; agreeing a sample of revenue transactions to gain assurance over the occurrence and accuracy of revenue and also to ensure revenue has been recognised in the correct period.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Recovery Connections
and Subsidiary Company

Use of our report

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



For & on behalf of Anderson Barrowcliff Limited
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 19/12/2024

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Statement of Financial Activities (including income and expenditure account) for the Year Ended 31 March 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £
Income							
Donations & legacies	2	**3,098**	**2,163**	**5,261**	21,769	-	21,769
Charitable activities	3	**45,775**	**3,054,353**	**3,100,128**	75,746	2,131,244	2,206,990
Other trading activities	4	**146,534**	**-**	**146,534**	103,537	-	103,537
Investment income	5	**991**	**-**	**991**	117	-	117
Total Income		**196,398**	**3,056,516**	**3,252,914**	201,169	2,131,244	2,332,413
Expenditure:							
Raising funds	6	**286,315**	**-**	**286,315**	210,631	-	210,631
Charitable activities	7	**297,371**	**2,603,046**	**2,900,417**	244,616	1,793,823	2,038,439
Total resources expended		**583,686**	**2,603,046**	**3,186,732**	455,247	1,793,823	2,249,070
Net(outgoing)/incoming Resources before transfers		**(387,288)**	**453,470**	**66,182**	(254,078)	337,421	83,343
Gross transfers between funds	20	**382,202**	**(382,202)**	**-**	304,583	(304,583)	-
Net movement in funds		**(5,086)**	**71,268**	**66,182**	50,505	32,838	83,343
Funds brought forward 1 April 2023		**169,881**	**885,672**	**1,055,553**	119,376	852,834	972,210
Funds carried forward 31 March 2024	20	**164,795**	**956,940**	**1,121,735**	169,881	885,672	1,055,553

The notes on pages 15 to 27 form an integral part of these financial statements

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Balance Sheet As At 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed Assets					
Tangible assets	12		**57,544**		70,363
Current Assets					
Stocks	14	**1,248**		1,082	
Debtors	15	**729,766**		391,701	
Cash at bank & in hand		**588,588**		805,670	
		1,319,602		1,198,453	
Creditors: Amounts falling due within one year	16	**(237,401)**		(191,991)	
Net Current Assets			**1,082,201**		1,006,462
Total assets less current liabilities			**1,139,745**		1,076,825
Creditors: Amounts falling due after more than one year	17		**(18,010)**		(21,272)
Net Assets			**1,121,735**		1,055,553
Income Funds					
Restricted funds	20		**956,940**		885,672
Unrestricted funds	20		**164,795**		169,881
			1,121,735		1,055,553

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 (the "Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

The trustees acknowledge their responsibilities for:

(a) ensuring that the charitable company keeps accounting records that 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 surplus or deficit for each 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 charitable company.

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

The financial statements were approved by the Trustees on 17.12.24 and signed on their behalf by:

Ruth Hicks

Ruth Hicks
Trustee

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Charity Balance Sheet As At 31 March 2024

CHARITY	Notes	2024 £	2024 £	2023 £	2023 £
Fixed Assets					
Tangible assets	12		**12,997**		13,759
Investments	13		**1**		1
			12,998		13,760
Current Assets					
Debtors	15	**738,582**		384,846	
Cash at bank & in hand		**579,942**		801,047	
		1,318,524		1,185,893	
Creditors: Amounts falling due within one year	16	**(200,648)**		(172,238)	
Net Current Assets			**1,117,876**		1,013,655
Total assets less current liabilities			**1,130,874**		1,027,415
Income Funds					
Restricted funds	20		**956,940**		885,672
Unrestricted funds	20		**173,934**		141,743
			1,130,874		1,027,415

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 (the "Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

The trustees acknowledge their responsibilities for:

(a) ensuring that the charitable company keeps accounting records that 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 surplus or deficit for each 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 charitable company.

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

The financial statements were approved by the Trustees on 17.12.24 and signed on their behalf by:

Ruth Hicks

Ruth Hicks
Trustee

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Cash Flow Statement
for the Year Ended 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash generated from operations	26		**(203,386)**		(175,168)
Investing activities					
Purchase of tangible fixed assets	12	**(10,514)**		(11,687)	
			(10,514)		(11,687)
Financing activities					
Loan repayments		**(3,182)**		(3,043)	
Net cash generated from/(used in) financing activities			**(3,182)**		(3,043)
Net increase in cash and cash equivalents			**(217,082)**		(189,898)
Cash and cash equivalents at beginning of year			**805,670**		995,568
Cash and cash equivalents at end of year			**588,588**		805,670

Notes to the Accounts for the Year Ended 31 March 2024

1 ACCOUNTING POLICIES

Charity information

Recovery Connections is a private company limited by guarantee incorporated in England & Wales. The registered office is given in the group information on page 1 of these financial statements. The nature of the group's operations and its principal activities are set out in the Report of the Trustees on page 2.

1.1 Basis of Preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Recovery Connections Enterprises Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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 funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1 ACCOUNTING POLICIES - continued

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The charity received government grants in respect of the Coronavirus Job Retention Scheme and small business grants. These grants are recognised at the fair value of the asset received or receivable when there is a reasonable assurance that the charity will comply with the conditions attached to them. The grants are recognised using the accrual model.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the notes to the accounts.

The grants are recognised using the accrual model.

There is no netting off of expenditure within the accounts.

1.5 Expenditure

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

Expenditure is classified under the following headings: -

- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities. It includes both costs which can be directly allocated to activities and those costs of an indirect nature.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs.
- Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

1 ACCOUNTING POLICIES – continued

1.6 Tangible Fixed Assets

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 basis: -

Leasehold improvements	10% straight line
Plant & machinery	20% straight line
Fixtures & fittings	25% straight line
Office equipment	33% straight line
Motor vehicles	20 / 25% straight line

1.7 Investments

Fixed asset investments are valued at cost. This represents the investment in the 100% subsidiary.

1.8 Stocks

Stocks are stated at the lower of cost and its net realisable value.

1.9 Cash and Cash Equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of one year or less from the date of acquisition or opening of the deposit or similar account.

1.10 Debtors and Creditors Receivable/Payable Within One Year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.11 Pension Costs

The company operates a defined contribution pension scheme for all employees. The company contributions are charged to the SOFA in the period to which they relate.

1.12 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.13 Operating Leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

1.14 Judgements and Key Sources of Estimation Uncertainty

In the application of the charitable company's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 DONATIONS AND LEGACIES

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £	Unrestricted Funds 2023 £
Donations and gifts	3,098	2,163	5,261	6,769
Ballinger Grant	-	-	-	15,000
	3,098	2,163	5,261	21,769

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £	Total 2023 £
Supported housing	-	79,123	79,123	64,678
Recovery service	-	2,169,316	2,169,316	1,388,109
Project Adder Housing project	-	142,000	142,000	142,000
IPS employment services	-	564,282	564,282	321,319
Other grants and service contracts	45,775	99,632	145,407	254,884
Telephone support line	-	-	-	36,000
	45,775	3,054,353	3,100,128	2,206,990

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds 2024 £	Unrestricted Funds 2023 £
Income from trading subsidiary	146,534	103,537

Income above is broken down as follows;

	2024 £	2023 £
Sales of goods and services	101,404	95,898
Hendon grant	40,000	-
Capital grant released	4,890	4,890
Kickstart program	-	2,209
Other sundry donations	240	540
	146,534	103,537

5 INVESTMENT INCOME

	Unrestricted funds 2024 £	Unrestricted Funds 2023 £
Bank interest received	991	117
	991	117

6 RAISING FUNDS

	Unrestricted Funds 2024 £	Unrestricted Funds 2023 £
Trading Costs		
Staff costs	**140,301**	103,839
Direct and other support costs	**146,014**	106,792
	286,315	210,631
Trading costs	**286,315**	210,631

7 EXPENDITURE ON CHARITABLE ACTIVITIES

		Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £
Direct costs							
Staff costs		**38,106**	**2,063,434**	**2,101,540**	71,751	1,326,096	1,397,847
Staff and volunteer travel		**8,754**	**30,026**	**38,780**	3,867	26,206	30,073
Service user costs		**1,470**	**62,318**	**63,788**	1,999	41,075	43,074
Allotment costs		**-**	**2,231**	**2,231**	-	4,677	4,677
Event costs		**1,825**	**2,620**	**4,445**	6,014	3,161	9,175
Vehicle costs		**7,077**	**5,885**	**12,962**	-	3,529	3,529
Publicity		**(7,351)**	**15,346**	**7,995**	2,791	11,340	14,131
Consultancy		**1,037**	**5,210**	**6,247**	2,175	3,474	5,649
Programme and licence		**1,628**	**7,095**	**8,723**	819	7,287	8,106
Healthcare and monitoring		**1,077**	**9,499**	**10,576**	638	6,181	6,819
Building cost		**-**	**90,000**	**90,000**	-	-	-
Totals		**53,623**	**2,293,664**	**2,347,287**	90,054	1,433,026	1,523,080
Support costs							
Staff costs		**167,800**	**16,309**	**184,109**	125,408	118,739	244,147
Depreciation		**-**	**8,200**	**8,200**	-	8,377	8,377
Computer running costs		**1,441**	**24,626**	**26,067**	2,370	17,777	20,147
Cleaning and sundry expenses		**1,062**	**53,839**	**54,901**	5,258	47,474	52,732
DBS check		**444**	**2,739**	**3,183**	139	2,399	2,538
Insurance		**13,737**	**27,889**	**41,626**	2,319	17,165	19,484
Training		**1,341**	**47,829**	**49,170**	566	40,026	40,592
Light & heat		**-**	**22,259**	**22,259**	-	15,320	15,320
Telephone		**1,159**	**12,339**	**13,498**	1,859	6,157	8,016
PPS		**88**	**3,982**	**4,070**	532	3,823	4,355
Repairs		**-**	**12,988**	**12,988**	-	3,246	3,246
Recruitment costs		**391**	**570**	**961**	-	1,351	1,351
Rent & rates		**-**	**70,521**	**70,521**	-	56,300	56,300
Bank charges		**1,257**	**-**	**1,257**	792	98	890
Irrecoverable VAT		**28,492**	**-**	**28,492**	19,576	-	19,576
Overhead recharge		**-**	**-**	**-**	(22,545)	22,545	-
Governance costs	8	**26,536**	**5,292**	**31,828**	18,288	-	18,288
		243,748	**309,382**	**553,130**	154,562	360,797	515,359
		297,371	**2,603,046**	**2,900,417**	244,616	1,793,823	2,038,439

Included within direct costs above is £90,000 which relates to an unspent grant received in previous years. This grant was awarded to assist with the purchase and refurbishment of a property in the furtherance of the charity's objectives. However, during the current year it was determined that such an acquisition was no longer a viable option, and after consideration and communication with the awarding body (MBC) the funding was assigned to an unconnected charity, Connected Community CIC for their future use.

8 GOVENANCE COSTS

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £
Accountancy	**6,631**	**-**	**6,631**	7,558	-	7,558
Audit	**10,500**	**-**	**10,500**	10,000	-	10,000
Legal fees	**9,405**	**5,292**	**14,697**	730	-	730
	26,536	**5,292**	**31,828**	18,288	-	18,288

9 NET INCOME FOR THE YEAR

This is stated after charging:-	2024 £	2023 £
Depreciation	**23,333**	23,256
Auditors' remuneration - for audit	**10,500**	10,000
- for accountancy	**2,625**	2,500

10 TRUSTEES

No trustee received any remuneration or expenses during the period (2023: £Nil). No trustee or other person related to the charity had any personal interest in any other contracts or transactions entered into by the charity during the period (2023: £Nil).

11 EMPLOYEES

	2024 Number	2023 Number
The average monthly number of employees during the year was	**98**	75

Employment costs	2024 £	2023 £
Wages and salaries	**2,191,082**	1,585,282
Social security costs	**192,865**	126,505
Other pension costs	**40,230**	27,937
	2,424,177	1,739,724

The number of employees whose total emoluments (excluding employer pension costs) for the reporting period in the following bands was:

	2024 number	2023 Number
£60,000 to £70,000 p.a.	**1**	1
	1	1

Notes to the Accounts for the Year Ended 31 March 2024

12 TANGIBLE FIXED ASSETS

CONSOLIDATED	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2023	**31,944**	**21,240**	**38,345**	**33,346**	**49,235**	**174,110**
Additions	**-**	**1,983**	**1,093**	**7,438**	**-**	**10,514**
At 31 March 2024	**31,944**	**23,223**	**39,438**	**40,784**	**49,235**	**184,624**
Depreciation and impairment						
At 1 April 2023	**7,325**	**13,972**	**30,198**	**23,984**	**28,268**	**103,747**
Depreciation charged in year	**3,354**	**2,674**	**4,957**	**5,548**	**6,800**	**23,333**
At 31 March 2024	**10,679**	**16,646**	**35,155**	**29,532**	**35,428**	**127,080**
Carrying amount						
At 31 March 2024	**21,265**	**6,577**	**4,283**	**11,252**	**13,807**	**57,544**
At 31 March 2023	24,619	7,268	8,147	9,362	20,967	70,363

CHARITY	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2023	**1,061**	**8,034**	**31,062**	**31,437**	**15,235**	**86,829**
Additions	**-**	**-**	**-**	**7,438**	**-**	**7,438**
At 31 March 2024	**1,061**	**8,034**	**31,062**	**38,875**	**15,235**	**94,267**
Depreciation and impairment						
At 1 April 2023	**350**	**8,034**	**26,507**	**22,944**	**15,235**	**73,070**
Depreciation charged in year	**265**	**-**	**2,936**	**4,999**	**-**	**8,200**
At 31 March 2024	**615**	**8,034**	**29,443**	**27,943**	**15,235**	**81,270**
Carrying amount						
At 31 March 2024	**446**	**-**	**1,619**	**10,932**	**-**	**12,997**
At 31 March 2023	711	-	4,555	8,493	-	13,759

13 SUBSIDIARIES

These financial statements are separate financial statements for Recovery Connections.

Details of the charity's subsidiaries at 31 March 2024 are as follows: -

Name of Undertaking	Registered Office	Nature of Business	Class of Shares held	% Held Direct/Indirect
Recovery Connections Enterprise Limited	UK	Restaurants, event space and florist	1	100.00

Recovery Connections Enterprise Limited (company number: 12079629) was incorporated on 2 July 2019 and is a wholly owned subsidiary of Recovery Connections Limited. A summary of the results of the subsidiary are shown below:-

	2024	2023
	£	£
Turnover	**203,912**	148,789
Cost of sales	**(206,331)**	(141,285)
Gross (loss)/profit	**(2,419)**	7,504
Administrative expenses	**(79,441)**	(68,663)
Other operating income	**45,130**	7,639
Interest payable and similar expenses	**(543)**	(683)
Loss for the financial year	**(37,273)**	(54,203)

The aggregate of the assets, liabilities and funds was:-

	£	£
Assets	**65,051**	73,700
Liabilities	**(280,437)**	(269,056)
Non-current liabilities	**(18,011)**	(21,272)
	(253,901)	(216,628)
Called up share capital	1	1
Profit & loss reserves	(253,902)	(216,629)
	(253,901)	(216,628)

14 STOCKS

CONSOLIDATED	2024	2023
	£	£
Finished goods and goods for resale	**1,248**	1,082

CHARITY	2024	2023
	£	£
Finished goods and goods for resale	-	-

15 DEBTORS

CONSOLIDATED	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	**586,703**	303,848
VAT	**3,634**	-
Other debtors	**23,881**	22,549
Prepayments and accured income	**115,548**	65,304
	729,766	391,701

CHARITY	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	**580,587**	299,699
Amounts owed by subsidiary undertakings	**15,096**	-
VAT	**7,963**	-
Other debtors	**23,881**	22,518
Prepayment and accured income	**111,055**	62,629
	738,582	384,846

16 CREDITORS: Amounts falling due within one year:

CONSOLIDATED	Notes	2024 £	2023 £
Bank loans	18	**3,231**	3,151
Other taxation and social security		**42,455**	40,603
Deferred income	19	**138,626**	89,058
Trade creditors		**19,335**	28,266
Other creditors		**15,099**	7,514
Accruals		**18,655**	23,399
		237,401	191,991

CHARITY	Notes	2024 £	2023 £
Other taxation and social security		**40,217**	45,139
Deferred income	19	**126,001**	73,982
Trade creditors		**9,262**	26,042
Other creditors		**11,922**	6,856
Accruals		**13,246**	20,219
		200,648	172,238

17 CREDITORS: Amounts falling due after more than one year:

CONSOLIDATED	Notes	2024 £	2023 £
Bank loans	18	**18,010**	21,272

18 LOANS AND OVERDRAFTS

CONSOLIDATED	2024 £	2023 £
Bank loans	**21,241**	24,423
Payable within one year	**3,231**	3,151
Payable one to five years	**14,063**	13,716
Payable over five years	**3,947**	7,556
	21,241	24,423

The long term loans are unsecured and were obtained as part of the Coronavirus "Bounce Back Loans" scheme.

19 DEFERRED INCOME

CONSOLIDATED	2024 £	2023 £
Other deferred income	**138,626**	89,058
CHARITY		
Other deferred income	**126,001**	73,982

Deferred income compromises funding received in advance for projects over a specific time period which is for future periods or overlaps the year end. Also, included in deferred income is a capital grant released over the life of the asset.

20 MOVEMENT IN 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:

CONSOLIDATED	Balance at 1 April 2023	Movement in Funds: Incoming resources	Movement in Funds: Resources expended	Movement in Funds: Transfers	Balance at 31 March 2024
	£	£	£	£	£
Recovery Service (MBC)	62,950	595,313	(482,678)	(147,346)	**28,239**
Universal Grant (MBC)	115,802	133,400	(117,917)	(13,340)	**117,945**
Recovery Service (CGL Gateshead)	79,630	591,967	(426,148)	(57,625)	**187,824**
Recovery Service (Sunderland)	47,800	232,545	(207,427)	(23,701)	**49,217**
Recovery Service (Stockton)	88,032	200,093	(209,800)	(20,904)	**57,421**
Other grants	6,538	30,995	(32,141)	-	**5,392**
National Lottery	80,165	47,475	(88,250)	(3,748)	**35,642**
Peer Advocacy (Stockton)	-	66,667	(7,173)	(6,667)	**52,827**
Recovery Service (Hartlepool)	-	10,000	(9,176)	-	**824**
Project Adder Housing Project (MBC)	243,590	142,000	(238,681)	(14,200)	**132,709**
IPS employment services (MBC)	85,289	141,411	(124,428)	(12,856)	**89,416**
Telephone Support Line (MBC)	6,463	-	(6,463)	-	**-**
Boxing Gym (MBC)	14,336	-	(9,284)	-	**5,052**
IPS employment services (Sunderland)	1,890	116,417	(103,818)	(10,686)	**3,803**
Changing Futures (Sunderland)	3,936	118,483	(103,924)	(10,659)	**7,836**
IPS employment services (Stockton)	43,439	219,434	(190,532)	(19,654)	**52,687**
Recovery Service (Darlington)	1,858	323,295	(170,124)	(32,082)	**122,947**
IPS employment services (Darlington)	3,954	87,021	(75,082)	(8,734)	**7,159**
	885,672	3,056,516	(2,603,046)	(382,202)	**956,940**
Unrestricted Funds	386,510	49,864	(297,371)	279,694	**418,697**
Trading subsidiary	(216,629)	146,534	(286,315)	102,508	**(253,902)**
	1,055,553	3,252,914	(3,186,732)	-	**1,121,735**

20 MOVEMENT IN FUNDS (continued)

We have been the Abstinence and Recovery contract holders on behalf of Middlesbrough Council since October 2017.

Since November 2018 Recovery Connections has been subcontracted to work with Gateshead Recovery Partnership in relation to providing integrated drug and alcohol recovery services. The contract is scheduled to run until October 2022.

As a sub-contractor of CGL we provide lived experience recovery support as part of Stockton and Sunderland Recovery Service.

Included within other grants:

Church Urban - Peer support
YALF
SSA – Collegiate program

Transfers from restricted funds to unrestricted funds in the year relate to management charges, restricted expenditure eliminated on consolidation.

CONSOLIDATED	Balance at 1 April 2022	Movement in Funds: Incoming resources	Movement in Funds: Resources expended	Movement in Funds: Transfers	Balance at 31 March 2023
	£	£	£	£	£
Recovery Service (MBC)	122,104	562,045	(467,911)	(153,288)	**62,950**
Universal Grant (MBC)	88,223	133,400	(92,481)	(13,340)	**115,802**
Recovery Service (CGL Gateshead)	106,694	306,586	(301,874)	(31,776)	**79,630**
Recovery Service (Sunderland)	36,260	213,917	(184,411)	(17,966)	**47,800**
Recovery Service (Stockton)	85,851	165,337	(146,102)	(17,054)	**88,032**
Other grants	96,271	110,086	(110,678)	(8,922)	**86,703**
Project Adder Housing Project (MBC)	259,152	142,000	(143,362)	(14,200)	**243,590**
IPS employment services (MBC)	58,333	132,160	(93,189)	(12,015)	**85,289**
Telephone Support Line (MBC)	-	36,000	(29,537)	-	**6,463**
Boxing Gym (MBC)	-	15,000	(664)	-	**14,336**
IPS employment services (Sunderland)	-	51,540	(43,117)	(6,533)	**1,890**
Changing futures (Sunderland)	-	87,936	(76,006)	(7,994)	**3,936**
IPS employment services (Stockton)	-	99,413	(46,033)	(9,941)	**43,439**
Recovery Service (Darlington)	-	37,617	(31,997)	(3,762)	**1,858**
IPS employment services (Darlington)	-	38,207	(26,461)	(7,792)	**3,954**
	852,834	2,131,244	(1,793,823)	(304,583)	**885,672**
Unrestricted Funds	281,802	97,632	(244,616)	251,692	**386,510**
Trading subsidiary	(162,426)	103,537	(210,631)	52,891	**(216,629)**
	972,210	2,332,413	(2,249,070)	-	**1,055,553**

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2024	Restricted Funds 2024	Total 2024	Unrestricted Funds 2023	Restricted Funds 2023	Total 2023
	£	£	£	£	£	£
Fund balances at 31 March 2024 are represented by:						
Tangible assets	**57,544**	**-**	**57,544**	70,363	-	70,363
Current assets/(liabilities)	**125,261**	**956,940**	**1,082,201**	120,790	885,672	1,006,462
Long term liabilities	**(18,010)**	**-**	**(18,010)**	(21,272)	-	(21,272)
	164,795	**956,940**	**1,121,735**	169,881	885,672	1,055,553

22 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	**15,000**	15,000
Within one to five years	**22,500**	37,500
	37,500	52,500

Lease payments recognised as an expense in the year amounted to £15,000.

23 RELATED PARTY TRANSACTIONS

Remuneration of key management personnel
The remuneration of key management personnel is as follows: -

	2024	2023
	£	£
Aggregate compensation	**199,348**	150,065

Key management personnel consisting of the senior leadership team.

There were no related party transactions in the year.

24 RESULTS OF PARENT

	2024	2023
	£	£
Total incoming resources	**3,106,380**	2,228,876
Net movement in funds	**103,459**	(107,221)

In the prior year the charity provided a bad debt provision amounting to £244,766 against its subsidiary debtor balance. This provision was eliminated on consolidation.

25 PENSIONS

The charity operates a contributory defined contribution pension scheme for all employees. The charity contributions are charged to the Statement of Financial Activities in the period to which they relate. £40,230 was paid in contributions during the year (2023: £27,937). The amount outstanding at 31 March 2024 was £8,602 (2023: £6,799).

Notes to the Accounts for the Year Ended 31 March 2024

26 CASH GENERATED FROM OPERATIONS

	2024	2023
	£	£
Surplus for the year	**66,182**	83,343
Adjustments for:		
Depreciation of tangible fixed assets	**23,333**	23,256
Movements in working capital:		
(Increase) in stocks	**(166)**	(130)
(Increase) in debtors	**(338,065)**	(82,764)
Increase/(decrease) in creditors	**42,148**	(201,916)
Loan repayments	**3,182**	3,043
Cash generated from operations	**(203,386)**	(175,168)

27 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2023	Cash flows	At 31 March 2024
	£	**£**	£
Cash at bank and in hand	805,670	(217,082)	**588,588**
Loans falling due within one year	(3,151)	(80)	**(3,231)**
Loans falling due after more than one year	(21,272)	3,262	**(18,010)**
	781,247	(213,900)	**567,347**

RECOVERY CONNECTIONS

England & Wales - Charity number 1147748

Accounts



Recovery Connections and Subsidiary Company (Limited by Guarantee)

Trustees' Report and Consolidated Financial Statements for the Year Ended 31 March 2023

"Registrar of Companies Copy"
Company No. 06545431

ANDERSON BARROWCLIFF LLP
Chartered Accountants

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Financial Statements
for the Year Ended 31 March 2023

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Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Legal and Administrative Details
for the Year Ended 31 March 2023

COMPANY REGISTRATION NUMBER:	06545431
CHARITY REGISTRATION NUMBER:	1147748
REGISTERED OFFICE:	112-114 Marton Road Middlesbrough United Kingdom TS1 2DY
TRUSTEES:	Ruth Hicks - Chairperson Margaret Philips - resigned 1 May 2022 Daniel Galloway Bridget Holmstrom - resigned 1 May 2022 Georgios Antonopoulos – resigned 1 June 2023 David Barras Nick Wallis – resigned 28 August 2023 Valerie Hearn – appointed 1 May 2022, resigned 4 April 2023 Rachel Burke - appointed 1 May 2022 William McGovern – appointed 1 April 2022, resigned 1 July 2023 Matthew Bower – appointed 31 October 2023 Dr David Patton – appointed 1 June 2023 Sophie Turton – appointed 1 January 2023
CHIEF EXECUTIVE OFFICER:	Dorothy Smith
BANKERS:	National Westminster Bank Plc 106 Linthorpe Road Middlesbrough United Kingdom TS1 2JX
AUDITORS:	Anderson Barrowcliff LLP 3 Kingfisher Court Bowesfield Park Stockton on Tees TS18 3EX

Report of the Trustees (including Directors Report)
Year Ended 31 March 2023

The Trustees present their report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply 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)".

OBJECTIVES AND ACTIVITIES

As part of a review of the areas of delivery and recipients of the charity's objectives, an amendment was made in October 2018 by special resolution. Article 4 was replaced with; To relieve the suffering of individuals and families resident in the North of England, who suffer from or are affected by: - a. Substance misuse; b. Isolation; c. Poverty; d. Unemployment; e. Offending; f. Homelessness; g. Trauma; h. Mental health issues; or i. Related complex needs, by providing peer-led training, support and assistance.

Provision of Services
Recovery Connections offer a range of opportunities that can help build recovery capital and achieve lasting positive change. The aim of our support is also to offer a range of opportunities to develop community, build peer networks and incorporate structure and purpose into daily routine. Raising the profile of recovery and challenging stigma is a key aim of everything we do.

Across Middlesbrough, Gateshead, Sunderland, and Stockton our day-to-day basis is focussed on helping to build recovery capital within individuals and within the recovery community. We offer opportunities for people in recovery to help build their peer networks and community networks and to add purpose into their daily routine. We focus on individual strengths and have a 'do with' rather than a 'do for' approach to support. We have also created alliances with many organisations to further help build opportunities and paths into local communities.

We achieve our mission through a range of evidence-based interventions supporting 1,837 people who collectively attended 10,690 structured groups and activities.

Our core projects include:

Recovery Support
The Recovery Coaching programme helps individuals navigate their way through their own journey of recovery.

Community Activity Work
We offer a wide range of activities and programmes that aim to help people through their recovery, these include, but are not limited to, a Community Garden, Choir, Cooking, Sports Activities, Men's and Women's Coffee Group, Yoga and Work Club.

Employment Advice
We understand that working towards main life goals such as employment, training or education can be challenging, and we offer advice and support to prepare the people for the onward steps in their recovery pathway.

The Ambassador Programme
We believe that providing the benefit of lived experience and proof that abstinence-based recovery is possible led us to create The Ambassador Programme. The Ambassador programme is an opportunity for anyone in abstinence-based recovery to become part of the contracted and subcontracted services as a visible recovery role model. The programme includes a bespoke level 2 OCN accredited qualification that underpins the role of an Ambassador.

Across all projects, we have trained 101 Ambassadors who collectively gave 5,928 hours of volunteering.

Volunteering
As members of the Recovery Connections team, our volunteers get involved in many aspects of our work. Opportunities include supporting the running of activity and support groups, to supporting our administration and reception teams. We strongly believe volunteers add immense value to Recovery Connections and we welcome anyone who aligns with our values and wants to make a difference. Most of our volunteers have accessed Recovery Connections, and many go on to become Ambassadors and work for the organisation.

Volunteering hours continued to be impacted by the pandemic restrictions however without the hours given to us by volunteers, support to beneficiaries would have been reduced.

We were re-assessed for Investors in Volunteers accreditation which we successfully retained. Volunteers regularly progress into paid employment with Recovery Connections, a legacy which we are incredibly proud of.

We commenced the Investors in People assessment process and achieved a Silver accreditation.

Residential Rehab
Residential rehabilitation available for people that wish to complete an intense 6-month abstinence based programme. The programme promotes honesty, patience and tolerance, as well as giving back as a solution to heal and recover. We also offer a Daily attendance non-residential programme.

Campus Recovery Support in Teesside University and Middlesbrough College.
Recovery should be a reality for young people and we work to mobilise it within educational settings. We are leading the way in the development of support for students with addictions in education in Teesside and have created a pioneering campus recovery programme at Teesside University, Middlesbrough College and Sunderland University.

In addition to on campus support we have developed a University Recovery Friendly Campus pledge, Recovery Ally training and an online student focussed platform.

Trauma Therapy Service (Funded by The National Lottery Community Fund)
We employ two specialist staff delivering cross-service counselling, Peer-led Trauma support, education, bereavement groups and resilience programmes.

Employee Support Consultancy
We have developed a model to support organisations be more informed around addiction and the impact it can have on employees and the organisation. Within that we have also developed a model of support for employees that will prevent them from putting their employment and employer at risk. This has been commissioned by one of Teesside's largest providers and once piloted we aim to offer this out to other companies.

Training
Building on the Employee Support package we have developed, several CPD accredited training packages are available to further our mission in reducing stigma associated with addiction.

ACHIEVEMENTS AND PERFORMANCE

Collaboration
Across all four localities we have built, and continue to build, strong connectivity and working relationships with a range of partners from a broad range of sectors. This is a key element of our work to ensure that the people we work with have access to a broad range of support. These include, but are not limited to, the following:

- Physical Wellbeing /Physical Activity providers
- Domestic Violence Services
- Advocacy and Welfare Providers
- Criminal Justice partners including Offender Management Teams and Prison Substance Misuse Teams
- Health (Primary and Secondary Care) - GPs and Community pharmacies / Sexual Health services / BBV Treatment and Care services. We also aim to develop closer links with Primary Care Networks and with our Integrated Care System
- Housing Providers and Homeless Services
- Mental Health Support - Support services (MIND) / Adult and Young Persons Mental Health services / Mental Health Trust: In-patient/in reach, continuing support on the ward (principally in Middlesbrough)
- Employment and Training - Job Centre Plus
- Criminal Justice - Probation Team joint-progress-working /Police at every level, including informal daily contact and shared 'street-level' understanding/trust (principally in Middlesbrough)
- Mutual Aid - Alcoholics/Narcotics/Cocaine Anonymous, SMART, Soberistas
- Children's and Adult Social Care
- School and Education services
- Children's and Families Services.
- Carers Services (Branches)
- Youth services
- Veterans/support
- Women's, older peoples and advocacy groups/services

As a lived experience recovery organisation (LERO), the building of community is founded on principles of trust, care, empathy, inclusivity, respect and achievement. Community Teams, Volunteers and Ambassadors represent success and lead by lived example. Investing in local social enterprises such as Cafes and Florist, and projects such as the Free Coffee Community Bike enables people to positively contribute and ensures that we are visible and seen as a positive force across the wider community. This is allied to a positive service-perception as a trusted partner across Health, Mental Health, Social Care and Criminal Justice.

We are regarded as a highly innovative and agile organisation; our model has attracted interest from academia, and we are regularly invited to speak at conferences and events.

People in recovery are drawn from all sections of society and many people that we work with are criminal justice system experienced, and are living with mental health conditions, living with neuro-diverse conditions and disabilities. We support individuals to build their emotional resilience, develop coping strategies and to focus on building their wellbeing. A key part of our work is building community and a sense of belonging and purpose - all of which reinforce resilience.

As true partners we have systematically built a shared vision, consistent Trauma-driven understanding ("has happened to" not "is wrong with"), and seamlessly integrated person-centred care. This core working drives the current service and already actively embraces wider provision (including Housing, Domestic Abuse and Welfare Support). A common Care-Management-System facilitates shared-working and reduced duplication, supported by formal Information-sharing and shared best-practice, protocols and training (including Risk/safeguarding).

Whilst our service and contracts are to deliver 'social' value and outcomes, we go beyond this to ensure everything we do as an organisation has maximum impact on the wellbeing of the communities we serve. Investing and building in the fabric, capacity, and resilience of the local community beyond the 'contract' in order build community assets that promote outcomes and help prevent and reduce dependency across all services.
Recovery Connections only recently engaged with the Investors in People Awards. We have been awarded Silver Accreditation - which is only awarded to 20% of organisations assessed by IIP.

Social Impact

"Recovery Connections has helped me to get to a point where I'm mentally loving it. My mindset has changed. It was almost magical when it came about. I just woke up one day and felt loads better, even though I'd put myself through a lot of suffering. It was like arriving at someone new, after being so used to being alone".
Recovery Community member

"On leaving rehab I concentrated on building relationships with my family and continued to volunteer in an Ambassador role. Remaining balanced and not rushing into work until I felt ready. In May 2022 I applied successfully for a relief position at Recovery Connections, during this period I regained my driving licence".
Rehab graduate

"With IPS support, I have not only been able to return to work, but this is the best I have felt in years. I have regained my confidence and independence and am so grateful for the opportunities that I have had".
IPS employment support beneficiary

"What a day, loved every minute of it. Bring it on next year!".
Recovery Games attendee

"I appreciated the honesty of both people delivering the session. It wasn't just theoretical, but real-life examples of what can be achieved with the right support".
Training recipient

Social Enterprise

In 2019 Recovery Connections formed another company Recovery Connections Enterprise Ltd, as a wholly owned subsidiary of the charity, four brands were developed to deliver on the revised mission, vision, and values. The social businesses are in Middlesbrough and exist primarily to:

- Offer work experience, training and employment for people who have been disenfranchised and are furthest away from the job market.
- Provide affordable hospitality and catering to the Teesside community.
- Provide a sustainable business model that reduces food waste, carbon footprint and contributes to the Tees Valley Climate Change Strategy.
- Challenge stigma and raise awareness of recovery through high street social businesses.
- Generate income to further deliver the charity mission.

RCE has an independent Board of Directors with board representation from Recovery Connections, the CEO oversees the operations of both entities.

The inclusion of the social enterprise group of businesses will enhance the opportunities available to beneficiaries. Employment and training opportunities are a challenge for people who have been away from the job market for lengthy periods. Opportunities to gain meaningful employment are particularly difficult if you have a criminal record or no work history. We are proud to provide a programme that offers robust employability and experience that positively impacts self-esteem, confidence and resilience.

FINANCIAL REVIEW

The charity is entirely reliant on income from Middlesbrough Recovering Together, IPS, Change, Grow, Live subcontract arrangement and several charitable grants. We do not raise funds through public giving or fund raising events.

Risk Management

The charity has successfully retained the Middlesbrough contract for a four-year period with a potential additional four years. With the addition of the Sunderland contract and IPS in 2021 the charity is financially stable. The board of trustees recognise the significant growth over the previous two years and view further growth into new areas, as a risk that needs to be carefully monitored and supported.

The review of organisational risks is reviewed at the board meetings and quality assurance & clinical governance meetings. The inclusion of a suitably qualified Finance Manager will provide a robust oversight for Recovery Connections and the social enterprise group of businesses.

Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The balance held as unrestricted funds at 31 March 2023 is £169,881 (2022: £119,376).

PLANS FOR FUTURE PERIODS

The Trustees also wish to diversify funding by seeking support for and contracts for new services in Middlesbrough and further afield based on Recovery Connection's reputation for providing user led recovery services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recovery Connections is a registered charity (no 1147748) and a limited company (no 06545431). In 2008 the organisation was initially established as a CIC named Hope North East by people 'in recovery' from drug and/or alcohol problems and was managed by three directors. In 2012 Hope North East was registered as a Charity. The organisation rebranded and changed its name to Recovery Connections following stakeholder consultation in 2016. The Charity retains a strong belief in the importance of involving members of the recovering community in the work of the organisation and is committed to always have 85% of employees with lived experience.

The Charity is governed by seven Trustees with relevant professional and lived experience. Trustees have powers to appoint further Trustees and do so following advertisement of vacancies. Training and induction are offered to new Trustees.

The Trustees meet monthly and keep the risks to the Charity under regular review. A comprehensive report detailing an overview of the organisation financially and operationally is covered at each board meeting.

The Middlesbrough Recovery & Abstinence contract required the organisation to be a registered provider with Care Quality Commission. The regulated activities and the wider registration requirements are set out in the Health and Social Care Act 2008 and its associated regulations. Following an unannounced inspection in January 2019, a rating of Outstanding was awarded by CQC.

We are the preferred sub-contractor for Change Grow Live delivering recovery specific interventions and rehabilitation programmes in Gateshead, Stockton, and Sunderland.
A new development for this financial year is the contract award to deliver Individual Placement Support (IPS) across the South Tees and Sunderland localities. IPS offers person centred support to people accessing treatment for drugs & alcohol to return to employment.

Key management Personnel remuneration

The Trustees consider the Board of Trustees and the CEO as comprising the key management personnel of the Charity leading the Strategic Direction and controlling the charity. The CEO and the Senior Management Team are responsible for running and operating the charity on a day-to-day basis. All trustees give their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the CEO, they withdraw from any decisions that may present a conflict of interest.

RESPONSIBILITIES OF MEMBERS OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of Recovery Connections for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and of their incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in operation.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

TRUSTEE STATEMENT

In setting our objectives and planning our activities the Trustees have given careful guidance to the Charity Commission on public benefit.

The Report of the Trustees was approved by the Board of Trustees on 19/12/2023 and signed on its behalf by:

Ruth Hicks

Trustee - Ruth Hicks

Report of the Independent Auditors to the Members of Recovery Connections and Subsidiary Company

Opinion

We have audited the financial statements of Recovery Connections (the 'parent charitable company') and its subsidiary (the 'group) for the year ended 31 March 2023 which comprise the consolidated Statement of Financial Activities, the group and parent charitable company Balance Sheets, the consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements: -

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of Trustees, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charity, we have considered applicable laws and regulations which may be fundamental to the charity's ability to operate or to avoid a material penalty, and we considered the extent to which non-compliance might have a material effect on the financial statements. We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate manual journal entries to manipulate financial performance, management bias in significant accounting estimates and any significant one-off or unusual transactions.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Auditors' responsibilities for the audit of the financial statements (continued)

Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging estimates and judgements made by management in their significant accounting estimates.
- Revenue recognition; agreeing a sample of revenue transactions to gain assurance over the occurrence and accuracy of revenue and also to ensure revenue has been recognised in the correct period.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

A Dewing FCCA ACA (Senior Statutory Auditor)
For & on behalf of Anderson Barrowcliff LLP
Statutory Auditor
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 22/12/2023

Recovery Connections and Subsidiary Company (Limited by Guarantee)

Consolidated Statement of Financial Activities (including income and expenditure account) for the Year Ended 31 March 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Income							
Donations & legacies	2	**21,769**	**-**	**21,769**	23,449	-	23,449
Charitable activities	3	**75,746**	**2,131,244**	**2,206,990**	43,587	1,812,159	1,855,746
Other trading activities	4	**103,537**	**-**	**103,537**	150,174	-	150,174
Investment income	5	**117**	**-**	**117**	2,209	-	2,209
Total Income		**201,169**	**2,131,244**	**2,332,413**	219,419	1,812,159	2,031,578
Expenditure:							
Raising funds	6	**210,631**	**-**	**210,631**	290,131	-	290,131
Charitable activities	7	**244,616**	**1,793,823**	**2,038,439**	213,258	1,219,974	1,433,232
Total resources expended		**455,247**	**1,793,823**	**2,249,070**	503,389	1,219,974	1,723,363
Net(outgoing)/incoming Resources before transfers		**(254,078)**	**337,421**	**83,343**	(283,970)	592,185	308,215
Gross transfers between funds	20	**304,583**	**(304,583)**	**-**	132,455	(132,455)	-
Net movement in funds		**50,505**	**32,838**	**83,343**	(151,515)	459,730	308,215
Funds brought forward 1 April 2022		**119,376**	**852,834**	**972,210**	270,891	393,104	663,995
Funds carried forward 31 March 2023	20	**169,881**	**885,672**	**1,055,553**	119,376	852,834	972,210

The notes on pages 15 to 27 form an integral part of these financial statements

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Balance Sheet As At 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed Assets					
Tangible assets	12		**70,363**		81,932
Current Assets					
Stocks	14	**1,082**		952	
Debtors	15	**391,701**		308,937	
Cash at bank & in hand		**805,670**		995,568	
		1,198,453		1,305,457	
Creditors: Amounts falling due within one year	16	**(191,991)**		(390,756)	
Net Current Assets			**1,006,462**		914,701
Total assets less current liabilities			**1,076,825**		996,633
Creditors: Amounts falling due after more than one year	17		**(21,272)**		(24,423)
Net Assets			**1,055,553**		972,210
Income Funds					
Restricted funds	20		**885,672**		852,834
Unrestricted funds	20		**169,881**		119,376
			1,055,553		972,210

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

The financial statements were approved by the Trustees on 19/12/2023 and signed on their behalf by:

Ruth Hicks

Ruth Hicks
Trustee

The notes on pages 15 to 27 form an integral part of these financial statements

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Charity Balance Sheet As At 31 March 2023

CHARITY	Notes	2023 £	2023 £	2022 £	2022 £
Fixed Assets					
Tangible assets	12		**13,759**		14,392
Investments	13		**1**		1
			13,760		14,393
Current Assets					
Debtors	15	**384,846**		476,005	
Cash at bank & in hand		**801,047**		987,270	
		1,185,893		1,463,275	
Creditors: Amounts falling due within one year	16	**(172,238)**		(343,032)	
Net Current Assets			**1,013,655**		1,120,243
Total assets less current liabilities			**1,027,415**		1,134,636
Income Funds					
Restricted funds	20		**885,672**		852,834
Unrestricted funds	20		**141,743**		281,802
			1,027,415		1,134,636

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

The financial statements were approved by the Trustees on 19/12/2023 and signed on their behalf by:

Ruth Hicks
Trustee

The notes on pages 15 to 27 form an integral part of these financial statements

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25		**(175,168)**		494,053
Investing activities					
Purchase of tangible fixed assets	12	**(11,687)**		(59,690)	
			(11,687)		(59,690)
Financing activities					
Loan repayments		**(3,043)**		(2,534)	
Net cash generated from/(used in) financing activities			**(3,043)**		(2,534)
Net increase in cash and cash equivalents			**(189,898)**		431,829
Cash and cash equivalents at beginning of year			**995,568**		563,739
Cash and cash equivalents at end of year			**805,670**		995,568

Notes to the Accounts for the Year Ended 31 March 2023

1 ACCOUNTING POLICIES

Charity information

Recovery Connections is a private company limited by guarantee incorporated in England & Wales. The registered office is given in the group information on page 1 of these financial statements. The nature of the group's operations and its principal activities are set out in the Report of the Trustees on page 2.

1.1 Basis of Preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Recovery Connections Enterprises Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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 funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements

1 ACCOUNTING POLICIES - continued

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The charity received government grants in respect of the Coronavirus Job Retention Scheme and small business grants. These grants are recognised at the fair value of the asset received or receivable when there is a reasonable assurance that the charity will comply with the conditions attached to them. The grants are recognised using the accrual model.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the notes to the accounts.

The grants are recognised using the accrual model.

There is no netting off of expenditure within the accounts.

1.5 Expenditure

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

Expenditure is classified under the following headings: -

- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities. It includes both costs which can be directly allocated to activities and those costs of an indirect nature.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs.
- Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

1 **ACCOUNTING POLICIES - continued**

1.6 Tangible Fixed Assets

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 basis: -

Leasehold improvements	10% straight line
Plant & machinery	20% straight line
Fixtures & fittings	25% straight line
Office equipment	33% straight line
Motor vehicles	20 / 25% straight line

1.7 Investments

Fixed asset investments are valued at cost. This represents the investment in the 100% subsidiary.

1.8 Stocks

Stocks are stated at the lower of cost and its net realisable value.

1.9 Cash and Cash Equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of one year or less from the date of acquisition or opening of the deposit or similar account.

1.10 Debtors and Creditors Receivable/Payable Within One Year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.11 Pension Costs

The company operates a defined contribution pension scheme for all employees. The company contributions are charged to the SOFA in the period to which they relate.

1.12 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.13 Operating Leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

1.14 Judgements and Key Sources of Estimation Uncertainty

In the application of the charitable company's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Accounts for the Year Ended 31 March 2023

2 DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	6,769	8,449
Ballinger Grant	15,000	15,000
	21,769	23,449

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Total 2022 £
Supported housing	-	64,678	64,678	72,600
Recovery service	-	1,388,109	1,388,109	1,230,890
Project Adder Housing project	-	142,000	142,000	143,062
Jobs, Friends, Houses	-	-	-	173,485
IPS employment services	-	321,319	321,319	97,512
Other grants	75,746	179,138	254,884	138,197
Telephone support line	-	36,000	36,000	-
	75,746	2,131,244	2,206,990	1,855,746

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Income from trading subsidiary	103,537	150,174

Income above is broken down as follows;

	2023 £	2022 £
Sales of goods and services	95,898	105,577
Covid grants	-	39,747
Capital grant released	4,890	4,482
Kickstart program	2,209	-
Other sundry donations	540	368
	103,537	150,174

5 INVESTMENT INCOME

	Unrestricted funds 2023 £	Unrestricted Funds 2022 £
Bank interest received	117	2,209
	117	2,209

6 RAISING FUNDS

	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Trading Costs		
Staff costs	**103,839**	169,583
Direct and other support costs	**106,792**	120,548
	210,631	290,131
Trading costs	**210,631**	290,131

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Direct costs						
Staff costs	**71,751**	**1,326,096**	**1,397,847**	9,938	828,255	838,193
Staff and volunteer travel	**3,867**	**26,206**	**30,073**	1,641	10,889	12,530
Service user costs	**1,999**	**41,075**	**43,074**	625	30,734	31,359
Allotment costs	**-**	**4,677**	**4,677**	3,548	1,766	5,314
Event costs	**6,014**	**3,161**	**9,175**	1,236	555	1,791
Vehicle costs	**-**	**3,529**	**3,529**	-	3,877	3,877
Publicity	**2,791**	**11,340**	**14,131**	6,017	11,645	17,662
Consultancy	**2,175**	**3,474**	**5,649**	2,181	66,595	68,776
Programme and licence	**819**	**7,287**	**8,106**	1,431	6,548	7,979
Healthcare and monitoring	**638**	**6,181**	**6,819**	1,864	1,245	3,109
Totals	**90,054**	**1,433,026**	**1,523,080**	28,481	962,109	990,590
Support costs						
Staff costs	**125,408**	**118,739**	**244,147**	112,125	116,001	228,126
Depreciation	**-**	**8,377**	**8,377**	8,823	-	8,823
Computer running costs	**2,370**	**17,777**	**20,147**	2,729	22,918	25,647
Cleaning and sundry expenses	**5,258**	**47,474**	**52,732**	9,770	7,357	17,127
DBS check	**139**	**2,399**	**2,538**	1,568	816	2,384
Insurance	**2,319**	**17,165**	**19,484**	5,074	9,929	15,003
Training	**566**	**40,026**	**40,592**	746	31,437	32,183
Light & heat	**-**	**15,320**	**15,320**	3,599	14,326	17,925
Telephone	**1,859**	**6,157**	**8,016**	985	4,190	5,175
PPS	**532**	**3,823**	**4,355**	1,390	2,078	3,468
Repairs	**-**	**3,246**	**3,246**	1,426	3,807	5,233
Recruitment costs	**-**	**1,351**	**1,351**	71	1,265	1,336
Rent & rates	**-**	**56,300**	**56,300**	517	43,180	43,697
Bank charges	**792**	**98**	**890**	312	61	373
Irrecoverable VAT	**19,576**	**-**	**19,576**	13,028	-	13,028
Overhead recharge	**(22,545)**	**22,545**	**-**	-	-	-
Governance costs 8	**18,288**	**-**	**18,288**	22,614	500	23,114
	154,562	**360,797**	**515,359**	184,777	257,865	442,642
	244,616	**1,793,823**	**2,038,439**	213,258	1,219,974	1,433,232

8 GOVENANCE COSTS

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Accountancy	**7,558**	**-**	**7,558**	9,652	-	9,652
Audit	**10,000**	**-**	**10,000**	12,000	-	12,000
Legal fees	**730**	**-**	**730**	962	500	1,462
	18,288	**-**	**18,288**	22,614	500	23,114

9 NET INCOME FOR THE YEAR

This is stated after charging:-	2023 £	2022 £
Depreciation	**23,256**	21,117
Auditors' remuneration - for audit	**10,000**	12,000
- for accountancy	**2,500**	12,702

10 TRUSTEES

No trustee received any remuneration or expenses during the period (2022: £Nil). No trustee or other person related to the charity had any personal interest in any other contracts or transactions entered into by the charity during the period (2022: £Nil).

11 EMPLOYEES

	2023 Number	2022 Number
The average monthly number of employees during the year was	**75**	56

Employment costs	2023 £	2022 £
Wages and salaries	**1,585,282**	1,109,198
Social security costs	**126,505**	85,417
Other pension costs	**27,937**	20,269
	1,739,724	1,214,884

The number of employees whose total emoluments (excluding employer pension costs) for the reporting period in the following bands was:

	2023 number	2022 Number
£60,000 to £70,000 p.a.	**1**	-
	1	-

Notes to the Accounts for the Year Ended 31 March 2023

12 TANGIBLE FIXED ASSETS

CONSOLIDATED	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	31,944	17,297	92,620	59,731	49,235	250,827
Additions	-	3,943	-	7,744	-	11,687
Disposals	-	-	(54,275)	(34,129)	-	(88,404)
At 31 March 2023	31,944	21,240	38,345	33,346	49,235	174,110
Depreciation and impairment						
At 1 April 2022	3,971	11,140	78,808	53,508	21,468	168,895
Depreciation charged in year	3,354	2,832	5,665	4,605	6,800	23,256
Eliminated on disposal	-	-	(54,275)	(34,129)	-	(88,404)
At 31 March 2023	7,325	13,972	30,198	23,984	28,268	103,747
Carrying amount						
At 31 March 2023	24,619	7,268	8,147	9,362	20,967	70,363
At 31 March 2022	27,973	6,157	13,812	6,223	27,767	81,932

CHARITY	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	1,061	8,034	85,337	57,822	15,235	167,489
Additions	-	-	-	7,744	-	7,744
Disposals	-	-	(54,275)	(34,129)	-	(88,404)
At 31 March 2023	1,061	8,034	31,062	31,437	15,235	86,829
Depreciation and impairment						
At 1 April 2022	85	7,778	76,937	53,062	15,235	153,097
Depreciation charged in year	265	256	3,845	4,011	-	8,377
Eliminated on disposal	-	-	(54,275)	(34,129)	-	(88,404)
At 31 March 2023	350	8,034	26,507	22,944	15,235	73,070
Carrying amount						
At 31 March 2023	711	-	4,555	8,493	-	13,759
At 31 March 2022	976	256	8,400	4,760	-	14,392

13 SUBSIDIARIES

These financial statements are separate financial statements for Recovery Connections.

Details of the charity's subsidiaries at 31 March 2023 are as follows: -

Name of Undertaking	Registered Office	Nature of Business	Class of Shares held	% Held Direct/Indirect
Recovery Connections Enterprise Limited	UK	Restaurants, event space and florist	1	100.00

Recovery Connections Enterprise Limited was incorporated on 2 July 2019 and is a wholly owned subsidiary of Recovery Connections Limited. A summary of the results of the subsidiary are shown below:-

	2023 £	2022 £
Turnover	**148,789**	123,039
Cost of sales	**(141,285)**	(191,604)
Gross profit/(loss)	**7,504**	(68,565)
Administrative expenses	**(68,663)**	(97,956)
Other operating income	**7,639**	44,597
Interest payable and similar expenses	**(683)**	(571)
(Loss)/Profit for the financial year	**(54,203)**	(122,495)

The aggregate of the assets, liabilities and funds was:-

	£	£
Assets	**73,700**	84,258
Liabilities	**(269,056)**	(222,260)
Non-current liabilities	**(21,272)**	(24,423)
	(216,628)	(162,425)
Called up share capital	**1**	1
Profit & loss reserves	**(216,629)**	(162,426)
	(216,628)	(162,425)

14 STOCKS

CONSOLIDATED

	2023 £	2022 £
Finished goods and goods for resale	**1,082**	952

CHARITY

	2023 £	2022 £
Finished goods and goods for resale	**-**	-

15 DEBTORS

CONSOLIDATED	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	**303,848**	246,167
Other debtors	**22,549**	23,112
Prepayments and accured income	**65,304**	39,658
	391,701	308,937

CHARITY	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	**299,699**	242,964
Amounts owed by subsidiary undertakings	**-**	174,535
Other debtors	**22,518**	22,500
Prepayment and accured income	**62,629**	36,006
	384,846	476,005

16 CREDITORS: Amounts falling due within one year:

CONSOLIDATED	Notes	2023 £	2022 £
Bank loans	18	**3,151**	3,043
Other taxation and social security		**40,603**	43,863
Deferred income	19	**89,058**	276,870
Trade creditors		**28,266**	35,047
Other creditors		**7,514**	6,395
Accruals		**23,399**	25,538
		191,991	390,756

CHARITY	Notes	2023 £	2022 £
Other taxation and social security		**45,139**	35,749
Deferred income	19	**73,982**	256,904
Trade creditors		**26,042**	27,563
Other creditors		**6,856**	4,053
Accruals		**20,219**	18,763
		172,238	343,032

17 CREDITORS: Amounts falling due after more than one year:

CONSOLIDATED	Notes	2023 £	2022 £
Bank loans	18	**21,272**	24,423

18 LOANS AND OVERDRAFTS

CONSOLIDATED	2023 £	2022 £
Bank loans	**24,423**	27,466
Payable within one year	**3,151**	3,043
Payable one to five years	**13,716**	13,091
Payable over five years	**7,556**	11,332
	24,423	27,466

The long term loans are unsecured and were obtained as part of the Coronavirus "Bounce Back Loans" scheme.

19 DEFERRED INCOME

CONSOLIDATED	2023 £	2022 £
Other deferred income	**89,058**	276,870
CHARITY		
Other deferred income	**73,982**	256,904

Deferred income compromises funding received in advance for projects over a specific time period which is for future periods or overlaps the year end. Also, included in deferred income is a capital grant released over the life of the asset.

20 MOVEMENT IN FUNDS

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

CONSOLIDATED	Balance at 1 April 2022	Movement in Funds: Incoming resources	Movement in Funds: Resources expended	Movement in Funds: Transfers	Balance at 31 March 2023
	£	£	£	£	£
Recovery Service (MBC)	122,104	562,045	(467,911)	(153,288)	**62,950**
Universal Grant (MBC)	88,223	133,400	(92,481)	(13,340)	**115,802**
Recovery Service (CGL Gateshead)	106,694	306,586	(301,874)	(31,776)	**79,630**
Recovery Service (Sunderland)	36,260	213,917	(184,411)	(17,966)	**47,800**
Recovery Service (Stockton)	85,851	165,337	(146,102)	(17,054)	**88,032**
Other grants	96,217	110,086	(110,678)	(8,922)	**86,703**
Project Adder Housing Project (MBC)	259,152	142,000	(143,362)	(14,200)	**243,590**
IPS employment services (MBC)	58,333	132,160	(93,189)	(12,015)	**85,289**
Telephone Support Line (MBC)	-	36,000	(29,537)	-	**6,463**
Boxing Gym (MBC)	-	15,000	(664)	-	**14,336**
IPS employment services (Sunderland)	-	51,540	(43,117)	(6,533)	**1,890**
Changing Futures (Sunderland)	-	87,936	(76,006)	(7,994)	**3,936**
IPS employment services (Stockton)	-	99,413	(46,033)	(9,941)	**43,439**
Recovery Service (Darlington)	-	37,617	(31,997)	(3,762)	**1,858**
IPS employment services (Darlington)	-	38,207	(26,461)	(7,792)	**3,954**
	852,834	2,131,244	(1,793,823)	(304,583)	**885,672**
Unrestricted Funds	281,802	97,632	(244,616)	251,692	**386,510**
Trading subsidiary	(162,426)	103,537	(210,631)	52,891	**(216,629)**
	972,210	2,332,413	(2,249,070)	-	**1,055,553**

20 MOVEMENT IN FUNDS (continued)

We have been the Abstinence and Recovery contract holders on behalf of Middlesbrough Council since October 2017.

Since November 2018 Recovery Connections has been subcontracted to work with Gateshead Recovery Partnership in relation to providing integrated drug and alcohol recovery services. The contract is scheduled to run until October 2022.

As a sub-contractor of CGL we provide lived experience recovery support as part of Stockton and Sunderland Recovery Service.

Included within other grants:

Church Urban - Peer support
Covid related grants to assist community
National Lottery Community Fund three years funding to deliver Trauma
Counselling and awareness training within our Middlesbrough and Gateshead services
Churchill Fellowship Student recovery platform
National Lottery Community Fund for the Queens Jubilee

Transfers from restricted funds to unrestricted funds in the year relate to management charges, restricted expenditure eliminated on consolidation and an agreed transfer from recovery service (MBC) to unrestricted.

CONSOLIDATED	Balance at 1 April 2021	Movement in Funds: Incoming resources	Movement in Funds: Resources expended	Movement in Funds: Transfers	Balance at 31 March 2022
	£	£	£	£	£
Recovery Service (MBC)	27,428	449,513	(387,841)	(33,761)	**55,339**
Universal Grant (MBC)	-	133,400	(45,177)	-	**88,223**
Recovery Service (CGL Gateshead)	39,826	309,153	(214,169)	(28,116)	**106,694**
Recovery Service (Sunderland)	-	122,498	(74,097)	(12,141)	**36,260**
Recovery Service (Stockton)	20,241	216,326	(129,180)	(21,536)	**85,851**
Other grants	165,038	94,610	(120,874)	(30,910)	**107,864**
Supported Housing (Residential Rehabilitation)	50,571	72,600	(68,053)	-	**55,118**
Project Adder Housing Project (MBC)	90,000	143,062	(69,183)	(3,775)	**160,104**
Jobs, Friends, Houses (MBC)	-	173,485	(74,437)	-	**99,048**
IPS employment services (MBC)	-	97,512	(36,963)	(2,216)	**58,333**
	393,104	1,812,159	(1,219,974)	(132,455)	**852,834**
Unrestricted Funds	310,822	69,245	(213,258)	114,993	**281,802**
Trading subsidiary	(39,931)	150,174	(290,131)	17,462	**(162,426)**
	663,995	2,031,578	(1,723,363)	-	**972,210**

21 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 March 2023 are represented by:						
Tangible assets	**70,363**	**-**	**70,363**	81,932	-	81,932
Current assets/(liabilities)	**120,790**	**885,672**	**1,006,462**	61,867	852,834	914,701
Long term liabilities	**(21,272)**	**-**	**(21,272)**	(24,423)	-	(24,423)
	169,881	**885,672**	**1,055,553**	119,376	852,834	972,210

22 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	**15,000**	15,000
Within one to five years	**37,500**	52,500
	52,500	67,500

23 RELATED PARTY TRANSACTIONS

Remuneration of key management personnel
The remuneration of key management personnel is as follows: -

	2023	2022
	£	£
Aggregate compensation	**150,065**	56,426

Key management personnel consisting of the senior leadership team.

There were no related party transactions in the year.

24 RESULTS OF PARENT

	2023
	£
Total incoming resources	**2,228,876**
Net movement in funds	**(107,221)**

The charity provided a bad debt provision in the year amounting to £244,766 against its subsidiary debtor balance. This provision was eliminated on consolidation.

Notes to the Accounts for the Year Ended 31 March 2023

25 CASH GENERATED FROM OPERATIONS

	2023 £	2022 £
Surplus/(deficit) for the year	**83,343**	308,215
Adjustments for:		
Depreciation of tangible fixed assets	**23,256**	21,117
Movements in working capital:		
(Increase)/decrease in stocks	**(130)**	891
(Increase) in debtors	**(82,764)**	(95,061)
Increase/(decrease) in creditors	**(201,916)**	256,357
Loan repayments	**3,043**	2,534
Cash generated from operations	**(175,168)**	494,053

26 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	995,568	(189,898)	805,670
Loans falling due within one year	(3,043)	(108)	(3,151)
Loans falling due after more than one year	(24,423)	3,151	(21,272)
	968,102	(186,855)	781,247

RECOVERY CONNECTIONS

England & Wales - Charity number 1147748

Accounts

Recovery Connections
(Limited by Guarantee)

Trustees' Report and Consolidated Financial Statements
for the Year Ended 31 March 2022

"Charity Commissioners Copy"
Charity No.1147748

ANDERSON BARROWCLIFF LLP
Chartered Accountants

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Financial Statements
for the Year Ended 31 March 2022

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Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Legal and Administrative Details
for the Year Ended 31 March 2022

COMPANY REGISTRATION NUMBER:	06545431
CHARITY REGISTRATION NUMBER:	1147748
REGISTERED OFFICE:	112-114 Marton Road Middlesbrough United Kingdom TS1 2DY
TRUSTEES:	Ruth Hicks - Chairperson Margaret Philips - resigned 01 May 2022 Daniel Galloway Bridget Holmstrom - resigned 01 May 2022 Georgios Antonopoulos David Barras Nick Wallis
CHIEF EXECUTIVE OFFICER:	Dorothy Smith
BANKERS:	National Westminster Bank Plc 106 Linthorpe Road Middlesbrough United Kingdom TS1 2JX
AUDITORS:	Anderson Barrowcliff LLP 3 Kingfisher Court Bowesfield Park Stockton on Tees TS18 3EX

Report of the Trustees (including Directors Report)
Year Ended 31 March 2022

The Trustees present their report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply 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)".

OBJECTIVES AND ACTIVITIES

As part of a review of the areas of delivery and recipients of the charity's objectives, an amendment was made in October 2018 by special resolution. Article 4 was replaced with; To relieve the suffering of individuals and families resident in the North of England, who suffer from or are affected by: - a. Substance misuse; b. Isolation; c. Poverty; d. Unemployment; e. Offending; f. Homelessness; g. Trauma; h. Mental health issues; or i. Related complex needs, by providing peer-led training, support and assistance.

Provision of Services
Recovery Connections offer a range of opportunities that can help build recovery capital and achieve lasting positive change. The aim of our support is also to offer a range of opportunities to develop community, build peer networks and incorporate structure and purpose into daily routine. Raising the profile of recovery and challenging stigma is a key aim of everything we do.

Across Middlesbrough, Gateshead, Sunderland and Stockton our day-to-day basis is focussed on helping to build recovery capital within individuals and within the recovery community. We offer opportunities for people in recovery to help build their peer networks and community networks and to add purpose into their daily routine. We focus on individual strengths and have a 'do with' rather than a 'do for' approach to support. We have also created alliances with many organisations to further help build opportunities and paths into local communities.

We achieve our mission through a range of evidence-based interventions and support:

Recovery Support
The Recovery Coaching programme helps individuals navigate their way through their own journey of recovery.

Community Activity Work
We offer a wide range of activities and programmes that aim to help people through their recovery, these include, but are not limited to, a Community Garden, Choir, Cooking, Sports Activities, Men's and Women's Coffee Group, Yoga and Work Club.

Employment Advice
We understand that working towards main life goals such as employment, training or education can be challenging, and we offer advice and support to prepare the people for the onward steps in their recovery pathway.

The Ambassador Programme
We believe that providing the benefit of lived experience and proof that abstinence-based recovery is possible led us to create The Ambassador Programme. The Ambassador programme is an opportunity for anyone in abstinence-based recovery to become part of the contracted and subcontracted services as a visible recovery role model. The programme includes a bespoke level 2 OCN accredited qualification that underpins the role of an Ambassador.

Volunteering
As members of the Recovery Connections team, our volunteers get involved in many aspects of our work. Opportunities include supporting the running of activity and support groups, to supporting our administration and reception teams. We strongly believe volunteers add immense value to Recovery Connections and we welcome anyone who aligns with our values and wants to make a difference. Most of our volunteers have accessed Recovery Connections, and many go on to become Ambassadors and work for the organisation.

Volunteering hours continued to be impacted by the pandemic restrictions however without the hours given to us by volunteers, support to beneficiaries would have been reduced.

Across the region we had 58 volunteers providing in person and online support equating to 4257 hours of support provided. We employed 19 people who had completed the Ambassador programme.

We were re-assessed for Investors in Volunteers accreditation which we successfully retained. Volunteers regularly progress into paid employment with Recovery Connections, a legacy which we are incredibly proud of.

We commenced the Investors in People assessment process and achieved a Silver accreditation.

Residential Rehab
Residential rehabilitation is available for people that wish to complete an intense 6-month abstinence based programme. The programme promotes honesty, patience and tolerance, as well as giving back as a solution to heal and recover. We also offer a daily attendance non-residential programme.

Campus Recovery Support in Teesside University and Middlesbrough College.
Recovery should be a reality for young people and we work to mobilise it within educational settings. We are leading the way in the development of support for students with addictions in education in Teesside and have created a pioneering campus recovery programme at Teesside University and Middlesbrough College.

Trauma Therapy Service (Funded by The National Lottery Community Fund)
We employ two specialist staff delivering cross-service counselling, Peer-led Trauma support, education, bereavement groups and resilience programmes.

Employee Support Consultancy
We have developed a model to support organisations be more informed around addiction and the impact it can have on employees and the organisation. Within that we have also developed a model of support for employees that will prevent them from putting their employment and employer at risk. This has been commissioned by one of Teesside's largest providers and once piloted we aim to offer this out to other companies.

Training
Building on the Employee Support package we have developed, several training packages are available to further our mission in reducing stigma associated with addiction. Over the coming 12 months we will launch The Recovery Ally training package with a target audience of Universities, community groups and employers.

ACHIEVEMENTS AND PERFORMANCE

Collaboration
Across all four localities we have built, and continue to build, strong connectivity and working relationships with a range of partners from a broad range of sectors. This is a key element of our work to ensure that the people we work with have access to a broad range of support. These include, but are not limited to, the following:

- Physical Wellbeing /Physical Activity providers
- Domestic Violence Services
- Advocacy and Welfare Providers
- Criminal Justice partners including Offender Management Teams and Prison Substance Misuse Teams
- Health (Primary and Secondary Care) - GPs and Community pharmacies / Sexual Health services / BBV Treatment and Care services. We also aim to develop closer links with Primary Care Networks and with our Integrated Care System
- Housing Providers and Homeless Services
- Mental Health Support - Support services (MIND) / Adult and Young Persons Mental Health services / Mental Health Trust: In-patient/in reach, continuing support on the ward (principally in Middlesbrough)
- Employment and Training - Job Centre Plus
- Criminal Justice - Probation Team joint-progress-working /Police at every level, including informal daily contact and shared 'street-level' understanding/trust (principally in Middlesbrough)
- Mutual Aid - Alcoholics/Narcotics/Cocaine Anonymous, SMART, Soberistas
- Children's and Adult Social Care
- School and Education services
- Children's and Families Services.
- Carers Services (Branches)
- Youth services
- Veterans/support
- Women's, older peoples and advocacy groups/services

As a lived experience recovery organisation (LERO), the building of community is founded on principles of trust, care, empathy, inclusivity, respect and achievement. Community Teams, Volunteers and Ambassadors represent success and lead by lived example. Investing in local social enterprises such as Cafes and Florist, and projects such as the Free Coffee Community Bike enables people to positively contribute and ensures that we are visible and seen as a positive force across the wider community. This is allied to a positive service-perception as a trusted partner across Health, Mental Health, Social Care and Criminal Justice.

We are regarded as a highly innovative and agile organisation. Within one week of the national lockdown being announced in March 2020, we had developed a comprehensive virtual timetable for those accessing Recovery Connections to access - we also supported individuals to access the timetable and reverted to ongoing telephone support. We have delivered a comprehensive hybrid model since.

People in recovery are drawn from all sections of society and many people that we work with are ex offenders, are living with mental health conditions, living with neuro-diverse conditions and disabilities. We support individuals to build their emotional resilience, develop coping strategies and to focus on building their wellbeing. A key part of our work is building community and a sense of belonging and purpose - all of which reinforce resilience.

As true partners we have systematically built a shared vision, consistent Trauma-driven understanding ("has happened to" not "is wrong with"), and seamlessly integrated person-centred care. This core working drives the current service and already actively embraces wider provision (including Housing, Domestic Abuse and Welfare Support). A common Care-Management-System facilitates shared-working and reduced duplication, supported by formal information sharing and shared best-practice, protocols and training (including risk/safeguarding).

Whilst our service and contracts are to deliver 'social' value and outcomes, we go beyond this to ensure everything we do as an organisation has maximum impact on the wellbeing of the communities we serve. We invest and build in the fabric, capacity, and resilience of the local community beyond the 'contract' in order to build community assets that promote outcomes and help prevent and reduce dependency across all services.

Recovery Connections only recently engaged with the Investors in People Awards. We have been awarded Silver Accreditation - which is only awarded to 20% of organisations assessed by IIP.

Social Impact

"I have found it good coming to Recovery Connections and have changed a lot already. I am quite new but has been very welcoming and feels like a family. There is a lot of groups going on but I am just finding my feet to see what suits me".
"Recovery Connections has been inspiring to me. Getting me a volunteer job and helping people"

"The best thing I like about coming to Recovery Connections is being around like-minded people. Recently I went to a Students in Recovery meeting and it felt great connecting with like-minded people affected by addiction, it was a breath of fresh air talking to fellow students about how addiction makes for a different university experience, it was nice to express feelings that most people on my course don't understand".

"It's going well, constructive and healthy. It's emotional and tough but lovely and kind. I like the therapy a lot. Lisa is lovely and supportive".

"I have appreciated the help I have had from my therapy".

"I've been in rehab, Recovery Connections for 9 weeks and the staff have helped me a lot through my hard time were giving support and if we want just ask and staff will get done. I'm getting along with residents and staff, no complaints".

"I am close to completing my 24 weeks in rehab and in that time I have had no issues with staff. All the staff are always caring and considerate and very approachable - I have no complaints".

"Being in rehab for 10 weeks, felt welcomed straight away feel at home get on well with the lads, Staff being very supported. Couldn't ask for a better coach (Tracey) to support me. All is really good :)".

"Would like to pass on my and my families gratitude for the invite to the Christmas party . All really enjoyed it and couldn't believe how hard you and your elves worked on the day. Once again thanks. Frank and family".

Social Enterprise

In 2019 Recovery Connections formed another company Recovery Connections Enterprise Ltd, as a wholly owned subsidiary of the charity, four brands were developed to deliver on the revised mission, vision, and values. The social businesses are in Middlesbrough and exist primarily to:

- Offer work experience, training and employment for people who have been disenfranchised and are furthest away from the job market.
- Provide affordable hospitality, floristry, and catering to the Teesside community.
- Provide a sustainable business model that reduces food waste, carbon footprint and contributes to the Tees Valley Climate Change Strategy
- Challenge stigma and raise awareness of recovery through high street social businesses.
- Generate income to further deliver the charity mission.

RCE has an independent Board of Directors with board representation from Recovery Connections, the CEO oversees the operations of both entities.

The inclusion of the social enterprise group of businesses will enhance the opportunities available to beneficiaries. Employment and training opportunities are a challenge for people who have been away from the job market for lengthy periods. Opportunities to gain meaningful employment are particularly difficult if you have a criminal record or no work history. We are proud to provide a programme that offers robust employability and experience that positively impacts self-esteem, confidence and resilience.

FINANCIAL REVIEW

The charity is entirely reliant on income from Middlesbrough Recovering Together, IPS, Change, Grow, Live subcontract arrangement and several charitable grants. We do not raise funds through public giving or fund raising events.

Risk Management

The charity has successfully retained the Middlesbrough contract for a four-year period with a potential additional four years. With the addition of the Sunderland contract and IPS in 2021 the charity is financially stable. The board of trustees recognise the significant growth over the previous two years and view further growth into new areas, as a risk that needs to be carefully monitored and supported.

The review of organisational risks is reviewed at the board meetings and quality assurance & clinical governance meetings. The inclusion of a suitably qualified Finance Manager has been added in 2020, this will provide a robust oversight for Recovery Connections and the social enterprise group of businesses. We have also appointed an Impact & Development Lead to help support new developments and ensure we continue to co-produce the activity we offer as a charity.

Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The balance held as unrestricted funds at 31 March 2022 is £119,376 (2021 : £270,891).

PLANS FOR FUTURE PERIODS

The Trustees also wish to diversify funding by seeking support for and contracts for new services in Middlesbrough and further afield based on Recovery Connection's reputation for providing user led recovery services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recovery Connections is a registered charity (no. 1147748) and a limited company (no. 06545431). In 2008 the organisation was initially established as a CIC named Hope North East by people 'in recovery' from drug and/or alcohol problems and was managed by three directors. In 2012 Hope North East was registered as a Charity. The organisation rebranded and changed its name to Recovery Connections following stakeholder consultation in 2016. The Charity retains a strong belief in the importance of involving members of the recovering community in the work of the organisation and is committed to always have 85% of employees with lived experience.

The Charity is governed by seven Trustees with relevant professional experience. Trustees have powers to appoint further Trustees and do so following advertisement of vacancies. Training and induction are offered to new Trustees.

The Trustees meet monthly and keep the risks to the Charity under regular review. A comprehensive report detailing an overview of the organisation financially and operationally is covered at each board meeting.

The Middlesbrough Recovery & Abstinence contract required the organisation to be a registered provider with Care Quality Commission. The regulated activities and the wider registration requirements are set out in the Health and Social Care Act 2008 and its associated regulations. Following an unannounced inspection in January 2019, a rating of Outstanding was awarded by CQC.

We are the preferred sub-contractor for Change Grow Live delivering recovery specific interventions and rehabilitation programmes in Gateshead, Stockton and Sunderland.

A new development for this financial year is the contract award to deliver Individual Placement Support (IPS) across the South Tees locality. IPS offers person centred support to people accessing treatment for drugs & alcohol to return to employment.

Key management Personnel remuneration
The Trustees consider the Board of Trustees and the CEO as comprising the key management personnel of the Charity leading the Strategic Direction and controlling the charity. The CEO and the Senior management Team are responsible for running and operating the charity on a day to day basis. All trustees give their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the CEO, they withdraw from any decisions that may present a conflict of interest.

RESPONSIBILITIES OF MEMBERS OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of Recovery Connections for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and of their incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in operation.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

TRUSTEE STATEMENT

In setting our objectives and planning our activities the Trustees have given careful guidance to the Charity Commission on public benefit.

The Report of the Trustees was approved by the Board of Trustees on 24.1.23 and signed on its behalf by:

Ruth Hicks

Trustee - Ruth Hicks

Report of the Independent Auditors to the Members of Recovery Connections and Subsidiary Company

Opinion

We have audited the financial statements of Recovery Connections (the 'parent charitable company') and its subsidiary (the 'group) for the year ended 31 March 2022 which comprise the consolidated Statement of Financial Activities, the group and parent charitable company Balance Sheets, the consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:-

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of Trustees, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees
As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our understanding of the charity, we have considered applicable laws and regulations which may be fundamental to the charity's ability to operate or to avoid a material penalty, and we considered the extent to which non-compliance might have a material effect on the financial statements. We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate manual journal entries to manipulate financial performance, management bias in significant accounting estimates and any significant one-off or unusual transactions.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Auditors' responsibilities for the audit of the financial statements (continued)
Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging estimates and judgements made by management in their significant accounting estimates.
- Revenue recognition; agreeing a sample of revenue transactions to gain assurance over the occurrence and accuracy of revenue and also to ensure revenue has been recognised in the correct period.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

D J Robertson FCA (Senior Statutory Auditor)
For & on behalf of Anderson Barrowcliff LLP
Statutory Auditor
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 27 January 2023

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Statement of Financial Activities (including income and expenditure account) for the Year Ended 31 March 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Income							
Donations & legacies	2	**23,449**	-	**23,449**	37,097	-	37,097
Charitable activities	3	**43,587**	**1,812,159**	**1,855,746**	-	1,302,676	1,302,676
Other trading activities	4	**150,174**	-	**150,174**	213,359	-	213,359
Investment income	5	**2,209**	-	**2,209**	-	-	-
Total Income		**219,419**	**1,812,159**	**2,031,578**	250,456	1,302,676	1,553,132
Expenditure:							
Raising funds	6	**290,131**	-	**290,131**	240,899	-	240,899
Charitable activities	7	**213,258**	**1,219,974**	**1,433,232**	99,966	944,279	1,044,245
Total resources expended		**503,389**	**1,219,974**	**1,723,363**	340,865	944,279	1,285,144
Net(outgoing)/incoming Resources before transfers		**(283,970)**	**592,185**	**308,215**	(90,409)	358,397	267,988
Gross transfers between funds	20	**132,455**	**(132,455)**	-	174,254	(174,254)	-
Net movement in funds		**(151,515)**	**459,730**	**308,215**	83,845	184,143	267,988
Funds brought forward 1 April 2021		**270,891**	**393,104**	**663,995**	187,046	208,961	396,007
Funds carried forward 31 March 2022	20	**119,376**	**852,834**	**972,210**	**270,891**	**393,104**	**663,995**

The notes on pages 15 to 27 form an integral part of these financial statements

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Balance Sheet As At 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Tangible assets	12		**81,932**		43,359
Current Assets					
Stocks	14	**952**		1,843	
Debtors	15	**308,937**		213,876	
Cash at bank & in hand		**995,568**		563,739	
		1,305,457		779,458	
Creditors: Amounts falling due within one year	16	**(390,756)**		(131,325)	
Net Current Assets			**914,701**		648,133
Total assets less current liabilities			**996,633**		691,492
Creditors: Amounts falling due after more than one year	17		**(24,423)**		(27,497)
Net Assets			**972,210**		663,995
Income Funds					
Restricted funds	20		**852,834**		393,104
Unrestricted funds	20		**119,376**		270,891
			972,210		663,995

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

The financial statements were approved by the Trustees on 24.1.23 and signed on their behalf by:

Ruth Hicks

Ruth Hicks
Trustee

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Charity Balance Sheet As At 31 March 2022

CHARITY	Notes	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Tangible assets	12		**14,392**		17,623
Investments	13		**1**		1
			14,393		17,624
Current Assets					
Debtors	15	**476,005**		265,280	
Cash at bank & in hand		**987,270**		514,185	
		1,463,275		779,465	
Creditors: Amounts falling due within one year	16	**(343,032)**		(93,163)	
Net Current Assets			**1,120,243**		686,302
Total assets less current liabilities			**1,134,636**		703,926
Income Funds					
Restricted funds	20		**852,834**		393,104
Unrestricted funds	20		**281,802**		310,822
			1,134,636		703,926

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

The financial statements were approved by the Trustees on 24.1.23 and signed on their behalf by:

Ruth Hicks
Trustee

Recovery Connections
and Subsidiary Company
(Limited by Guarantee)

Consolidated Cash Flow Statement
for the Year Ended 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	24		**494,053**		128,150
Investing activities					
Purchase of tangible fixed assets	12	**(59,690)**		(23,486)	
			(59,690)		(23,486)
Financing activities					
Proceeds of new bank loans		-		30,000	
Loan repayments		**(2,534)**		-	
Net cash generated from/(used in) financing activities			**(2,534)**		30,000
Net increase in cash and cash equivalents			**431,829**		134,664
Cash and cash equivalents at beginning of year			**563,739**		429,075
Cash and cash equivalents at end of year			**995,568**		563,739

Notes to the Accounts for the Year Ended 31 March 2022

1 ACCOUNTING POLICIES

Charity information

Recovery Connections is a private company limited by guarantee incorporated in England & Wales. The registered office is given in the group information on page 1 of these financial statements. The nature of the group's operations and its principal activities are set out in the Report of the Trustees on page 2.

1.1 Basis of Preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Recovery Connections Enterprises Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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 funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements

1 ACCOUNTING POLICIES - continued

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The charity received government grants in respect of the Coronavirus Job Retention Scheme and small business grants. These grants are recognised at the fair value of the asset received or receivable when there is a reasonable assurance that the charity will comply with the conditions attached to them. The grants are recognised using the accrual model.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the notes to the accounts.

The grants are recognised using the accrual model.

There is no netting off of expenditure within the accounts.

1.5 Expenditure

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

Expenditure is classified under the following headings:-

- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities. It includes both costs which can be directly allocated to activities and those costs of an indirect nature.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs.
- Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1 ACCOUNTING POLICIES – continued

1.6 Tangible Fixed Assets

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 basis:-

Leasehold improvements	10% straight line
Plant & machinery	20% straight line
Fixtures & fittings	25% straight line
Office equipment	33% straight line
Motor vehicles	20 / 25% straight line

1.7 Investments

Fixed asset investments are valued at cost. This represents the investment in the 100% subsidiary.

1.8 Stocks

Stocks are stated at the lower of cost and its net realisable value.

1.9 Cash and Cash Equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of one year or less from the date of acquisition or opening of the deposit or similar account.

1.10 Debtors and Creditors Receivable/Payable Within One Year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.11 Pension Costs

The company operates a defined contribution pension scheme for all employees. The company contributions are charged to the SOFA in the period to which they relate.

1.12 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.13 Operating Leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

1.14 Judgements and Key Sources of Estimation Uncertainty

In the application of the charitable company's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Unrestricted 2021 £
Donations and gifts	8,449	22,097
Ballinger Grant	15,000	15,000
	23,449	37,097

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Restricted Funds 2021 £
Supported housing	-	72,600	72,600	61,810
Recovery service	-	1,230,890	1,230,890	843,219
Project Adder Housing project	-	143,062	143,062	91,833
Jobs, Friends, Houses	-	173,485	173,485	-
IPS employment services	-	97,512	97,512	-
Other grants	43,587	94,610	138,197	305,814
	43,587	1,812,159	1,855,746	1,302,676

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Income from trading subsidiary	150,174	213,359

Income above is broken down as follows;

	2022 £	2021 £
Sales of goods	105,577	39,863
Covid grants	39,747	165,596
Capital grant released	4,482	-
Other grants	-	5,377
Other sundry donations	368	2,523
	150,174	213,359

5 INVESTMENT INCOME

	Unrestricted funds 2022 £	Unrestricted Funds 2021 £
Bank interest received	2,209	-
	2,209	-

6 RAISING FUNDS

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Trading Costs		
Staff costs	**169,583**	172,433
Direct and other support costs	**120,548**	68,466
	290,131	240,899
Trading costs	**290,131**	240,899

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Direct costs						
Staff costs	**9,938**	**828,255**	**838,193**	-	696,439	696,439
Staff and volunteer travel	**1,641**	**10,889**	**12,530**	832	11,642	12,474
Service user costs	**625**	**30,734**	**31,359**	-	35,471	35,471
Allotment costs	**3,548**	**1,766**	**5,314**	18	2,992	3,010
Event costs	**1,236**	**555**	**1,791**	908	196	1,104
Vehicle costs	-	**3,877**	**3,877**	-	4,222	4,222
Publicity	**6,017**	**11,645**	**17,662**	-	1,356	1,356
Consultancy	**2,181**	**66,595**	**68,776**	-	12,369	12,369
Programme and licence	**1,431**	**6,548**	**7,979**	-	3,417	3,417
Healthcare and monitoring	**1,864**	**1,245**	**3,109**	-	10,708	10,708
Totals	**28,481**	**962,109**	**990,590**	1,758	778,812	780,570
Support costs						
Staff costs	**112,125**	**116,001**	**228,126**	84,435	-	84,435
Depreciation	**8,823**	-	**8,823**	11,755	4,661	16,416
Computer running costs	**2,729**	**22,918**	**25,647**	-	15,151	15,151
Cleaning and sundry expenses	**9,770**	**7,357**	**17,127**	-	-	-
DBS check	**1,568**	**816**	**2,384**	-	1,288	1,288
Insurance	**5,074**	**9,929**	**15,003**	-	8,003	8,003
Training	**746**	**31,437**	**32,183**	-	22,376	22,376
Light & heat	**3,599**	**14,326**	**17,925**	-	11,404	11,404
Telephone	**985**	**4,190**	**5,175**	282	4,223	4,505
PPS	**1,390**	**2,078**	**3,468**	11	6,947	6,958
Repairs	**1,426**	**3,807**	**5,233**	409	8,544	8,953
Recruitment costs	**71**	**1,265**	**1,336**	-	-	-
Security	-	-	-	-	363	363
Rent & rates	**517**	**43,180**	**43,697**	-	37,894	37,894
Bank charges	**312**	**61**	**373**	33	213	246
Irrecoverable VAT	**13,028**	-	**13,028**	1,066	8,860	9,926
Governance costs 8	**22,614**	**500**	**23,114**	217	35,540	35,757
	184,777	**257,865**	**442,642**	98,208	165,467	263,675
	213,258	**1,219,974**	**1,433,232**	99,966	944,279	1,044,245

Notes to the Accounts for the Year Ended 31 March 2022

8 GOVENANCE COSTS

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Accountancy	9,652	-	9,652	-	2,101	2,101
Audit	12,000	-	12,000	-	6,000	6,000
Legal fees	962	500	1,462	217	27,439	27,656
	22,614	500	23,114	217	35,540	35,757

9 NET INCOME FOR THE YEAR

This is stated after charging:-	2022 £	2021 £
Depreciation	21,117	16,416
Auditors' remuneration - for audit	12,000	6,000
- for accountancy	12,702	5,787

10 TRUSTEES

No trustee received any remuneration or expenses during the period (2021: £Nil). No trustee or other person related to the charity had any personal interest in any other contracts or transactions entered into by the charity during the period (2021: £Nil).

11 EMPLOYEES

	2022 Number	2021 Number
The average monthly number of employees during the year was	56	49

Employment costs	2022 £	2021 £
Wage and salaries	1,109,198	878,602
Social security costs	85,417	62,183
Other pension costs	20,269	12,522
	1,214,884	953,307

During the year, no employees received salary or benefits of more than £60,000.

Notes to the Accounts for the Year Ended 31 March 2022

12 TANGIBLE FIXED ASSETS

CONSOLIDATED	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2021	18,356	15,332	84,278	57,936	15,235	191,137
Additions	13,588	1,965	8,342	1,795	34,000	59,690
At 31 March 2022	31,944	17,297	92,620	59,731	49,235	250,827
Depreciation and impairment						
At 1 April 2021	943	8,844	73,517	49,239	15,235	147,778
Depreciation charged in year	3,028	2,296	5,291	4,269	6,233	21,117
At 31 March 2022	3,971	11,140	78,808	53,508	21,468	168,895
Carrying amount						
At 31 March 2022	27,973	6,157	13,812	6,223	27,767	81,932
At 31 March 2021	17,413	6,488	10,761	8,697	-	43,359

CHARITY	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2021	-	8,034	80,955	57,673	15,235	161,897
Additions	1,061	-	4,382	149	-	5,592
At 31 March 2022	1,061	8,034	85,337	57,822	15,235	167,489
Depreciation and impairment						
At 1 April 2021	-	6,985	72,945	49,109	15,235	144,274
Depreciation charged in year	85	793	3,992	3,953	-	8,823
At 31 March 2022	85	7,778	76,937	53,062	15,235	153,097
Carrying amount						
At 31 March 2022	976	256	8,400	4,760	-	14,392
At 31 March 2021	-	1,049	8,010	8,564	-	17,623

Notes to the Accounts for the Year Ended 31 March 2022

13 SUBSIDIARIES

These financial statements are separate financial statements for Recovery Connections.

Details of the charity's subsidiaries at 31 March 2022 are as follows:-

Name of Undertaking	Registered Office	Nature of Business	Class of Shares held	% Held Direct/Indirect
Recovery Connections Enterprise Limited	UK	Restaurants, event space and florist	1	100.00

Recovery Connections Enterprise Limited was incorporated on 2 July 2019 and is a wholly owned subsidiary of Recovery Connections Limited. A summary of the results of the subsidiary are shown below:-

	2022 £	2021 £
Turnover	**123,039**	39,863
Cost of sales	**(191,604)**	(187,338)
Gross (loss)/profit	**(68,565)**	(147,475)
Administrative expenses	**(97,956)**	(56,571)
Other operating income	**44,597**	207,996
Interest payable and similar expenses	**(571)**	-
(Loss)/Profit for the financial year	**(122,495)**	3,950

The aggregate of the assets, liabilities and funds was:-

	£	£
Assets	**84,258**	89,342
Liabilities	**(222,260)**	(101,775)
Non-current liabilities	**(24,423)**	(27,497)
	(162,425)	(39,930)
Called up share capital	**1**	1
Profit & loss reserves	**(162,426)**	(39,931)
	(162,425)	(39,930)

14 STOCKS

CONSOLIDATED

	2022 £	2021 £
Finished goods and goods for resale	**952**	1,843

CHARITY

	2022 £	2021 £
Finished goods and goods for resale	**-**	-

15 DEBTORS

CONSOLIDATED	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	**246,167**	17,017
Other debtors	**23,112**	1,483
Prepayments and accured income	**39,658**	195,376
	308,937	213,876

CHARITY	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	**242,964**	15,669
Amounts owed by subsidiary undertakings	**174,535**	63,487
Other debtors	**22,500**	870
Other taxation	**-**	151
Prepayment and accured income	**36,006**	185,103
	476,005	265,280

16 CREDITORS: Amounts falling due within one year:

CONSOLIDATED	Notes	2022 £	2021 £
Bank loans	18	**3,043**	2,503
Other taxation and social security		**43,863**	40,050
Deferred income	19	**276,870**	22,982
Trade creditors		**35,047**	16,369
Other creditors		**6,395**	4,172
Accruals		**25,538**	45,249
		390,756	131,325

CHARITY	Notes	2022 £	2021 £
Other taxation and social security		**35,749**	36,696
Deferred income	19	**256,904**	22,982
Trade creditors		**27,563**	28
Other creditors		**4,053**	3,432
Accruals		**18,763**	30,050
		343,032	93,188

17 CREDITORS: Amounts falling due after more than one year:

CONSOLIDATED	Notes	2022 £	2021 £
Bank loans	18	**24,423**	27,497

18 LOANS AND OVERDRAFTS

CONSOLIDATED	2022 £	2021 £
Bank loans	**27,466**	30,000
Payable within one year	**3,043**	2,503
Payable one to five years	**13,091**	27,497
Payable over five years	**11,332**	-
	27,466	30,000

The long term loans are unsecured and were obtained as part of the Coronavirus "Bounce Back Loans" scheme.

19 DEFERRED INCOME

CONSOLIDATED	2022 £	2021 £
Other deferred income	**276,870**	22,982
CHARITY		
Other deferred income	**256,904**	22,982

Deferred income compromises funding received in advance for projects over a specific time period which is for future periods or overlaps the year end. Also, included in deferred income is a capital grant released over the life of the asset.

20 MOVEMENT IN FUNDS

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

CONSOLIDATED	Balance at 1 April 2021	Movement in Funds: Incoming resources	Movement in Funds: Resources expended	Movement in Funds: Transfers	Balance at 31 March 2022
	£	£	£	£	£
Recovery Service (MBC)	27,428	449,513	(387,841)	(33,761)	**55,339**
Universal Grant (MBC)	-	133,400	(45,177)	-	**88,223**
Recovery Service (CGL Gateshead)	39,826	309,153	(214,169)	(28,116)	**106,694**
Recovery Service (Sunderland)	-	122,498	(74,097)	(12,141)	**36,260**
Recovery Service (Stockton)	20,241	216,326	(129,180)	(21,536)	**85,851**
Other grants	165,038	94,610	(120,874)	(30,910)	**107,864**
Supported Housing (Residential Rehabilitation)	50,571	72,600	(68,053)	-	**55,118**
Project Adder Housing Project (MBC)	90,000	143,062	(69,183)	(3,775)	**160,104**
Jobs, Friends, Houses (MBC)	-	173,485	(74,437)	-	**99,048**
IPS employment services (MBC)	-	97,512	(36,963)	(2,216)	**58,333**
	393,104	1,812,159	(1,219,974)	(132,455)	**852,834**
Unrestricted Funds	310,822	69,245	(213,258)	114,993	**281,802**
Trading subsidiary	(39,931)	150,174	(290,131)	17,462	**(162,426)**
	663,995	2,031,578	1,723,363	132,455	**972,210**

20 MOVEMENT IN FUNDS (continued)

We have been the Abstinence and Recovery contract holders on behalf of Middlesbrough Council since October 2017.

Since November 2018 Recovery Connections has been subcontracted to work with Gateshead Recovery Partnership in relation to providing integrated drug and alcohol recovery services. The contract is scheduled to run until October 2022.

As a sub-contractor of CGL we provide lived experience recovery support as part of Stockton Recovery Service.

Included within other grants:

Tees Valley	-	Training & meal delivery
Church Urban	-	Peer support
Lloyds	-	Organisational development
Covid related grants to assist community		
National Lottery Community Fund three years funding to deliver Trauma Counselling and awareness training within our Middlesbrough and Gateshead services		
CAF Additional staff support during Covid.		
Community Chest Middlesbrough Council	-	Funding to provide nutritious hot meals during the lockdown periods of the pandemic for vulnerable groups
Middlesbrough (Other) - Covid recovery	-	stair lift, room refurbishment
Churchill Fellowship Student recovery platform		

PRIOR YEAR	Balance at 1 April 2020	Movement in Funds: Incoming resources	Movement in Funds: Resources expended	Movement in Funds: Transfers	Balance at 31 March 2021
	£	£	£	£	£
Recovery Service (MBC)	71,168	450,000	(403,740)	(90,000)	27,428
Other grants	33,026	504,677	(206,732)	(55,692)	275,279
Recovery Service (CGL Gateshead)	32,337	286,189	(251,386)	(27,314)	39,826
Supported Housing (Residential Rehabilitation)	50,206	61,810	(61,445)	-	50,571
Campus Recovery	22,224	-	(20,976)	(1,248)	-
	208,961	1,302,676	(944,279)	(174,254)	393,104
Unrestricted Funds	230,927	37,097	(96,956)	139,754	310,822
Trading subsidiary	(43,881)	213,359	(243,909)	34,500	(39,931)
	396,007	1,553,132	(1,285,144)	-	663,995

21 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 March 2022 are represented by:						
Tangible assets	**81,932**	**-**	**81,932**	30,941	12,418	43,359
Current assets/(liabilities)	**61,867**	**852,834**	**914,701**	267,447	380,686	648,133
Long term liabilities	**(24,423)**	**-**	**(24,423)**	(27,497)	-	(27,497)
	119,376	**852,834**	**972,210**	270,891	393,104	663,995

22 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	**15,000**	90
Within one to five years	**52,500**	-
	67,500	90

23 RELATED PARTY TRANSACTIONS

Remuneration of key management personnel
The remuneration of key management personnel is as follows:-

	2022	2021
	£	£
Aggregate compensation	**56,426**	57,682

24 CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Surplus/(deficit) for the year	**308,215**	267,988
Adjustments for:		
Depreciation and impairment of tangible fixed assets	**21,117**	16,416
Movements in working capital:		
Decrease in stocks	**891**	954
(Increase) in debtors	**(95,061)**	(147,862)
Increase/(decrease) in creditors	**256,357**	(9,346)
Loan repayments	**2,534**	
Cash generated from operations	**494,053**	128,150

Notes to the Accounts for the Year Ended 31 March 2022

25 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2021	Cash flows	at 31 March 2022
	£	£	£
Cash at bank and in hand	563,739	431,829	995,568
Loans falling due within one year	(2,503)	(540)	(3,043)
Loans falling due after more than one year	(27,497)	3,074	(24,423)
	533,739	434,363	968,102

RECOVERY CONNECTIONS

England & Wales - Charity number 1147748

Accounts

Charity Registration No. 1147748

Company Registration No. 06545431 (England and Wales)

RECOVERY CONNECTIONS

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

RECOVERY CONNECTIONS
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	G Antonopoulos D Barras N J Wallis U R Hicks B L Holmstrom M Phillips D Galloway	 (Appointed 5 November 2020)
Charity number	1147748	
Company number	06545431	
Registered office	112-114 Marton Road Middlesbrough United Kingdom TS1 2DY	
Auditor	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham United Kingdom TS22 5TB	
Bankers	National Westminster Bank Plc 106 Linthorpe Road Middlesbrough United Kingdom TS1 2JX	

RECOVERY CONNECTIONS
(A COMPANY LIMITED BY GUARANTEE)
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RECOVERY CONNECTIONS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply 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)".

Objectives and activities

As part of a review of the areas of delivery and recipients of the charity's objectives, an amendment was made in October 2018 by special resolution. Article 4 was replaced with; To relieve the suffering of individuals and families resident in the North of England, who suffer from or are affected by: - a. Substance misuse; b. Isolation; c. Poverty; d. Unemployment; e. Offending; f. Homelessness; g. Trauma; h. Mental health issues; or i. Related complex needs, by providing peer-led training, support and assistance.

Provision of Services

Recovery Connections offer a range of opportunities that can help build recovery capital and achieve lasting positive change. The aim of our support is also to offer a range of opportunities to develop community, build peer networks and incorporate structure and purpose into daily routine. Raising the profile of recovery and challenging stigma is a key aim of everything we do.

Across Middlesbrough, Gateshead and Stockton our day-to-day basis is focussed on helping to build recovery capital within individuals and within the recovery community. We offer opportunities for people in recovery to help build their peer networks and community networks and to add purpose into their daily routine. We focus on individual strengths and have a 'do with' rather than a 'do for' approach to support. We have also created alliances with many organisations to further help build opportunities and paths into local communities.

We achieve our mission through a range of evidence-based interventions and support:

Recovery Support

The Recovery Coaching programme helps individuals navigate their way through their own journey of recovery.

Community Activity Work

We offer a wide range of activities and programmes that aim to help people through their recovery, these include, but are not limited to, a Community Garden, Choir, Cooking, Sports Activities, Men's and Women's Coffee Group, Yoga and Work Club.

Employment Advice

We understand that working towards main life goals such as employment, training or education can be challenging, and we offer advice and support to prepare the people for the onward steps in their recovery pathway.

The Ambassador Programme

We believe that providing the benefit of lived experience and proof that abstinence-based recovery is possible led us to create The Ambassador Programme. The Ambassador programme is an opportunity for anyone in abstinence-based recovery to become part of the contracted and subcontracted services as a visible recovery role model. The programme includes a bespoke level 2 OCN accredited qualification that underpins the role of an Ambassador.

Volunteering

As members of the Recovery Connections team, our volunteers get involved in many aspects of our work. Opportunities include supporting the running of activity and support groups, to supporting our administration and reception teams. We strongly believe volunteers add immense value to Recovery Connections and we welcome anyone who aligns with our values and wants to make a difference. Most of our volunteers have accessed Recovery Connections, and many go on to become Ambassadors and work for the organisation.

Volunteering hours were impacted by the pandemic restrictions however without the hours given to us by volunteers, support to beneficiaries would have been reduced.
Across the region we had 41 volunteers providing in person and online support equating to 2623 hours of support provided.

We were re-assessed for Investors in Volunteers accreditation which we successfully retained. Volunteers regularly progress into paid employment with Recovery Connections, a legacy which we are incredibly proud of.

Residential Rehab

Residential rehabilitation available for people that wish to complete an intense 6-month abstinence based programme. The programme promotes honesty, patience and tolerance, as well as giving back as a solution to heal and recover (We also offer a Daily attendance non-residential programme)

Campus Recovery Support in Teesside University and Middlesbrough College.

Recovery should be a reality for young people and we work to mobilise it within educational settings. We are leading the way in the development of support for students with addictions in education in Teesside and have created a pioneering campus recovery programme at Teesside University and Middlesbrough College.

Trauma Therapy Service (Funded by The National Lottery Community Fund)

We employ two specialist staff delivering cross-service counselling, Peer-led Trauma support, education, bereavement groups and resilience programmes.

DePaul Drop-in (Funded by the Church Urban Fund)

This funding enables a presence in the DePaul homeless drop-in providing. We provide support and navigation for treatment naive or those individuals who have dropped out of services.

Covid-19 Pandemic support

Through a range of small grants, we have provided practical support through the provision of hot meals (5000 +) electronic devices and data to enable access to online support.

Achievements and performance

Collaboration

Across all three localities we have built, and continue to build, strong connectivity and working relationships with a range of partners from a broad range of sectors. This is a key element of our work to ensure that the people we work with have access to a broad range of support. These include, but are not limited to, the following :

Physical Wellbeing /Physical Activity providers
Domestic Violence Services
Advocacy and Welfare Providers
Criminal Justice partners including Offender Management Teams and Prison Substance Misuse Teams
Health (Primary and Secondary Care) - GPs and Community pharmacies / Sexual Health services / BBV Treatment and Care services. We also aim to develop closer links with Primary Care Networks and with our Integrated Care System
Housing Providers and Homeless Services
Mental Health Support - Support services (MIND) / Adult and Young Persons Mental Health services / Mental Health Trust: In-patient/in reach, continuing support on the ward (principally in Middlesbrough)
Employment and Training - Job Centre Plus
Criminal Justice - Probation Team joint-progress-working /Police at every level, including informal daily contact and shared 'street-level' understanding/trust (principally in Middlesbrough)
Mutual Aid - Alcoholics/Narcotics/Cocaine Anonymous, SMART, Soberistas
Children's and Adult Social Care
School and Education services
Children's and Families Services.
Carers Services (Branches)
Youth services
Veterans/support
Women's, older peoples and advocacy groups/services

As a lived experience recovery organisation (LERO), the building of community is founded on principles of trust, care, empathy, inclusivity, respect and achievement. Community Teams, Volunteers and Ambassadors represent success and lead by lived example. Investing in local social enterprises such as Cafes and Florist, and projects such as the Free Coffee Community Bike enables people to positively contribute and ensures that we are visible and seen as a positive force across the wider community. This is allied to a positive service-perception as a trusted partner across Health, Mental Health, Social Care and Criminal Justice.

We are regarded as a highly innovative and agile organisation. Within one week of the national lockdown being announced in March 2020, we had developed a comprehensive virtual timetable for those accessing Recovery Connections to access - we also supported individuals to access the timetable and reverted to ongoing telephone support. We have delivered a comprehensive hybrid model since.

People in recovery are drawn from all sections of society and many people that we work with are ex offenders, are living with mental health conditions, living with neuro-diverse conditions and disabilities. We support individuals to build their emotional resilience, develop coping strategies and to focus on building their wellbeing. A key part of our work is building community and a sense of belonging and purpose - all of which reinforce resilience.

As true partners we have systematically built a shared vision, consistent Trauma-driven understanding ("has happened to" not "is wrong with"), and seamlessly integrated person-centred care. This core working drives the current service and already actively embraces wider provision (including Housing, Domestic Abuse and Welfare Support). A common Care-Management-System facilitates shared-working and reduced duplication, supported by formal Information-sharing and shared best-practice, protocols and training (including Risk/safeguarding).

Whilst our service and contracts are to deliver 'social' value and outcomes, we go beyond this to ensure everything we do as an organisation has maximum impact on the wellbeing of the communities we serve. Investing and building in the fabric, capacity, and resilience of the local community beyond the 'contract' in order build community assets that promote outcomes and help prevent and reduce dependency across all services.
Recovery Connections only recently engaged with the Investors in People Awards. We have been awarded Silver Accreditation - which is only awarded to 20% of organisations assessed by IIP.

Social Enterprise

In 2019 Recovery Connections formed another company Recovery Connections Enterprise Ltd, as a wholly owned subsidiary of the charity, four brands were developed to deliver on the revised mission, vision, and values. The social businesses are in Middlesbrough and exist primarily to:

- Offer work experience, training and employment for people who have been disenfranchised and are furthest away from the job market.
- Provide affordable hospitality, floristry, and catering to the Teesside community.
- Provide a sustainable business model that reduces food waste, carbon footprint and contributes to the Tees Valley Climate Change Strategy
- Challenge stigma and raise awareness of recovery through high street social businesses.
- Generate income to further deliver the charity mission.

RCE has an independent Board of Directors with board representation from Recovery Connections, the CEO oversees the operations of both entities.

The inclusion of the social enterprise group of businesses will enhance the opportunities available to beneficiaries. Employment and training opportunities are a challenge for people who have been away from the job market for lengthy periods. Opportunities to gain meaningful employment are particularly difficult if you have a criminal record or no work history. We are proud to provide a programme that offers robust employability and experience that positively impacts self-esteem, confidence and resilience.

Social Impact

It's given me a good, stable routine, because I come from a place where I didn't have that. I'm able to manage myself better. Going through addiction changes your thought patterns and behaviours. Your social scene disappears. So all the circumstances around what you value in life changes. Recovery Connections has helped me to see the brighter side of life again.

I was always taught that you can't trust anyone. And suddenly that changes absolutely. You can actually trust people - the right people, and this again is what Recovery Connections has helped to realise. To get to a point where I can communicate with others in a more effective, honest way. People have talked about what's authentic, and then reminded me that I'm authentic too. It definitely made me feel better.

On my future, I feel like I'm doing a really good job. I might even go for a full time job here, or look for shifts on a more permanent basis. I'd also like to reconnect with my family more. There's a great family at Recovery Connections of course, but there's nothing like your own.

Recovery Connections has helped me to get to a point where I'm mentally loving it. My mindset has changed. It was almost magical when it came about. I just woke up one day and felt loads better, even though I'd put myself through a lot of suffering. It was like arriving at someone new, after being so used to being alone.

Without coming to Recovery Connections I wouldn't have stopped drinking. I'd still be in the same place I was, without a shadow of a doubt, because I just couldn't do it. Instead I was now getting up and going to work. Doing something productive instead of staying on my own. I don't have any other family, just the kids, so if I was struggling, people would sit down and talk to me.

At home it's a totally different routine too. I get the kids sorted for school, getting up and going straight in. It's just a normal family routine, which I would never have had. If I hadn't got my kids into the kids' club at Recovery Connections, which was free, I wouldn't have been able to stop. There was no purpose. I knew that I was only getting up just to come home and sleep off my hangover. Instead I was working.

I've had loads of support from people at Fork in the Road. Just speaking to people that have been in that same place, I would never have found somebody that's been through the same experience. They don't realise how hard it is. And now I'm going to college in January. I never would have thought about that, or thought I could do it.

Working at Fork for the last 8 or 9 months has boosted my confidence in greeting people, cash handling and with other staff as well. They've been brilliant to me. It's helped me to focus on my mind as well.

Most customers are brilliant. There's been nothing too major for me to handle, and I certainly deal with situations better than I did before. I was like Minnie Mouse when I started! I was very quiet and subdued, but now I'm quite comfortable speaking to people, helping them out, and seeing what their needs are.

I've managed to go on courses as well, also through recovery connections, so I'm doing lots of different things. I've come on 'leaps and bounds', it's really the best thing ever. I've nearly completed the ambassador course, so hopefully in the next month I'll have completed. I'm now hoping to get a part time job.

I couldn't have imagined saying that one year ago. Coming here, my confidence has gone through the roof. I couldn't wish for anything better. My persona has been totally different, I now come across bolder and bolshier!

The social enterprise community businesses are severely impacted by the pandemic, Fork in the Road & 131 The Venue have had lengthy periods of closures since the initial lockdown and Bloom Florists has traded largely online. The government grants and furlough scheme have been a welcome lifeline resulting in permanent staff being retained.

Financial review

The charity is entirely reliant on income from Middlesbrough Recovering Together, the Change, Grow, Live subcontract arrangement and a number of charitable grants. We are developing an Employee Assistance support package in collaboration with a Teesside based company, this is scheduled to go live in January 2022. The development of such a service will offer the charity an additional income stream and has the potential to be delivered at scale.

Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The balance held as unrestricted funds at £225,891.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Risk Management

The charity has successfully retained the Middlesbrough contract for a four-year period with a potential additional four years. With the addition of the Sunderland contract in 2021 the charity is financially stable with no plans for further significant growth. The board of trustees recognise the significant growth over the previous two years and view further growth into new areas, as a potential risk.

The review of organisational risks is reviewed at the board meetings and quality assurance & clinical governance meetings. The inclusion of a suitably qualified Finance Manager has been added in 2020, this will provide a robust oversight for Recovery Connections and the social enterprise group of businesses.

Plans for future periods

The Trustees also wish to diversify funding by seeking support for and contracts for new services in Middlesbrough and further afield based on Recovery Connection's reputation for providing user led recovery services.

Structure, governance and management

Recovery Connections is a registered charity (no 1147748) and a limited company (no 06545431). In 2008 the organisation was initially established as a CIC named Hope North East by people 'in recovery' from drug and/or alcohol problems and was managed by three directors. In 2012 Hope North East was registered as a Charity. The organisation rebranded and changed its name to Recovery Connections following stakeholder consultation in 2016. The Charity retains a strong belief in the importance of involving members of the recovering community in the work of the organisation and is committed to always have 85% of employees with lived experience.

The Charity is governed by seven Trustees with relevant professional experience. Trustees have powers to appoint further Trustees and do so following advertisement of vacancies. Training and induction are offered to new Trustees.

The Trustees meet monthly and keep the risks to the Charity under regular review. A comprehensive report detailing an overview of the organisation financially and operationally is covered at each board meeting.

The Middlesbrough Recovery & Abstinence contract required the organisation to be a registered provider with Care Quality Commission. The regulated activities and the wider registration requirements are set out in the Health and Social Care Act 2008 and its associated regulations. Following an unannounced inspection in January 2019, a rating of Outstanding was awarded by CQC.

We are the preferred sub-contractor for Change Grow Live delivering recovery specific interventions and rehabilitation programmes in Gateshead, Stockton and Sunderland scheduled for July 2021

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

G Antonopoulos	
D Barras	
N J Wallis	
U R Hicks	
B L Holmstrom	
D Jackson	(Resigned 5 November 2020)
M Phillips	
D Galloway	(Appointed 5 November 2020)

Key management Personnel remuneration

The Trustees consider the Board of Trustees and the CEO as comprising the key management personnel of the Charity leading the Strategic Direction and controlling the charity. The CEO and the Senior management Team are responsible for running and operating the charity on a day to day basis. All trustees give their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the CEO, they withdraw from any decisions that may present a conflict of interest.

Responsibilities of members of the board of trustees

Company law requires the members of the Board of Trustees to prepare financial statements each year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the members of the Board of Trustees are required to-:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The members of the Board of Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Ruth Hicks
.....
U R Hicks
Trustee
Dated: 31st January 2022

RECOVERY CONNECTIONS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Recovery Connections for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

RECOVERY CONNECTIONS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF RECOVERY CONNECTIONS

Opinion

We have audited the financial statements of Recovery Connections Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing minutes of meetings of those charged with governance
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report
This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

31/1/2022

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
United Kingdom
TS22 5TB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

RECOVERY CONNECTIONS
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	37,097	-	37,097	1,656	-	1,656
Charitable activities	4	-	1,302,676	1,302,676	-	934,471	934,471
Other trading activities	5	213,359	-	213,359	109,696	-	109,696
Total income		250,456	1,302,676	1,553,132	111,352	934,471	1,045,823
Expenditure on:							
Raising funds	6	240,899	-	240,899	153,577	-	153,577
Charitable activities	7	99,966	944,279	1,044,245	37,693	889,642	927,335
Total resources expended		340,865	944,279	1,285,144	191,270	889,642	1,080,912
Net (outgoing)/ incoming resources before transfers		(90,409)	358,397	267,988	(79,918)	44,829	(35,089)
Gross transfers between funds		174,254	(174,254)	-	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		83,845	184,143	267,988	(79,918)	44,829	(35,089)
Fund balances at 1 April 2020		187,046	208,961	396,007	266,964	164,132	431,096
Fund balances at 31 March 2021		270,891	393,104	663,995	187,046	208,961	396,007

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.

RECOVERY CONNECTIONS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEETS
AS AT 31 MARCH 2021

CONSOLIDATED	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	10		43,359		36,289
Current assets					
Stocks	12	1,843		2,797	
Debtors	13	213,876		66,014	
Cash at bank and in hand		563,739		429,075	
		779,458		497,886	
Creditors: amounts falling due within one year	14	(131,325)		(138,168)	
Net current assets			648,133		359,718
Total assets less current liabilities			691,492		396,007
Creditors: amounts falling due after more than one year	15		(27,497)		-
Net assets			663,995		396,007
Income funds					
Restricted funds	18		393,104		208,961
Unrestricted funds			270,891		187,046
			663,995		396,007

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 March 2021, although an audit has been carried out under section 151 of the Charities Act 2011.

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 under the requirements of the Companies Act 2006, 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 31st January 2022

U R Hicks
Trustee

Company Registration No. 06545431

RECOVERY CONNECTIONS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEETS (CONTINUED)

AS AT 31 MARCH 2021

CHARITY	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	**10**		17,623		27,724
Investments	**11**		1		1
			17,624		27,725
Current assets					
Debtors	**13**	265,280		97,822	
Cash at bank and in hand		514,185		427,926	
		779,465		525,748	
Creditors: amounts falling due within one year	**14**	(93,163)		(113,585)	
Net current assets			686,302		412,163
Total assets less current liabilities			703,926		439,888
Income funds					
Restricted funds	**18**		393,104		208,961
Unrestricted funds			310,822		230,927
			703,926		439,888

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 March 2021, although an audit has been carried out under section 151 of the Charities Act 2011.

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 under the requirements of the Companies Act 2006, 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 31st January 2022

U R Hicks
Trustee

Company Registration No. 06545431

RECOVERY CONNECTIONS
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	**23**		128,150		138,554
Investing activities					
Purchase of tangible fixed assets		(23,486)		(29,108)	
Net cash used in investing activities			(23,486)		(29,108)
Financing activities					
Proceeds of new bank loans		30,000		-	
Net cash generated from/(used in) financing activities			30,000		-
Net increase in cash and cash equivalents			134,664		109,446
Cash and cash equivalents at beginning of year			429,075		319,629
Cash and cash equivalents at end of year			563,739		429,075

1 Accounting policies

Charity information

Recovery Connections is a private company limited by guarantee incorporated in England and Wales. The registered office is 112-114 Marton Road, Middlesbrough, TS1 2DY, United Kingdom.

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.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiary Recovery Connections Enterprise Limited. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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.

The extent of the impact of the Coronavirus remained an issue in the year and continued to impact on the organisation post year end. and it is difficult to evaluate all the potential implications on the charity's services and the wider economy.

The subsidiary company has been significantly affected by Coronavirus and Fork in The Road was unable to open although some income has been generated by offering takeaway options and pivoting the business towards a meals on wheels service for the general public and vulnerable people in the wider community for which grant funding is widely available.

The event space was rented out once team training events could happen and the Charity was able to utilise it as a Community Hub to enable team bubbles.

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.

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

1 Accounting policies **(Continued)**

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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Expenditure

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

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity. Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure. Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

1.6 Tangible fixed assets

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	10% straight line
Plant and equipment	20% straight line
Fixtures and fittings	25% straight line
Office equipment	33% straight line
Motor vehicles	25% straight line

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 Accounting policies **(Continued)**

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 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.

1.10 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.

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.

1 Accounting policies **(Continued)**

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

1.11 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.

1.12 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.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	22,097	1,656
Ballinger Grant	15,000	-
	37,097	1,656

4 Charitable activities

	Restricted funds 2021 £	Restricted funds 2020 £
Supported Housing	61,810	85,799
Recovery Service	736,189	740,320
Other Grants	504,677	108,352
	1,302,676	934,471

5 Other trading activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from trading subsidiary	213,359	109,696

Income above is broken down as follows;

	2021 £	2020 £
Sales of goods	39,863	59,646
Coronavirus job retention scheme	102,724	560
Other covid-19 grants	62,872	-
Other grants	5,377	-
Other sundry donations	2,523	49,490
	213,359	109,696

6 Raising funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Trading costs		
Staff costs	172,433	97,583
Direct and other support costs	68,466	55,994
Trading costs	240,899	153,577
	240,899	153,577

7 Charitable activities

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Direct costs						
Staff costs	-	696,439	696,439	-	654,120	654,120
Staff and volunteer travel	832	11,642	12,474	3,092	21,193	24,285
Service user costs	-	35,471	35,471	657	29,128	29,785
Allotment costs	18	2,992	3,010	-	1,033	1,033
Event costs	908	196	1,104	760	9,590	10,350
Vehicle costs	-	4,222	4,222	-	3,546	3,546
Publicity	-	1,356	1,356	2,273	10,511	12,784
Consultancy	-	12,369	12,369	75	5,423	5,498
Programme and licence	-	3,417	3,417	-	3,884	3,884
Healthcare and monitoring	-	10,708	10,708	60	880	940
Payments to partners	-	-	-	-	13,300	13,300
Totals	1,758	778,812	780,570	6,917	752,608	759,525
Support costs						
Staff costs	84,435	-	84,435	7,885	-	7,885
Depreciation	11,755	4,661	16,416	9,101	1,165	10,266
Computer running costs	-	15,151	15,151	-	10,883	10,883
Legal	217	27,439	27,656	2,894	7,483	10,377
Accountancy	-	2,101	2,101	4,377	-	4,377
Audit	-	6,000	6,000	6,000	-	6,000
DBS Checks	-	1,288	1,288	-	1,403	1,403
Insurance	-	8,003	8,003	-	12,339	12,339
Training	-	22,376	22,376	-	31,273	31,273
Light and heat	-	11,404	11,404	-	13,088	13,088
Telephone	282	4,223	4,505	-	3,127	3,127
PPS	11	6,947	6,958	-	4,496	4,496
Repairs	409	8,544	8,953	9	9,448	9,457
Security	-	363	363	7	1,045	1,052
Rent and rates	-	37,894	37,894	-	41,238	41,238
Bank charges	33	213	246	503	46	549
Irrecoverable VAT	1,066	8,860	9,926	-	-	-
	98,208	165,467	263,675	30,776	137,034	167,810
	99,966	944,279	1,044,245	37,693	889,642	927,335

8 Trustees

No trustee received any remuneration or expenses during the period (2020: £Nil). No trustee or other person related to the charity had any personal interest in any other contracts or transactions entered into by the charity during the period (2020: £Nil)

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	49	43

Employment costs	2021 £	2020 £
Wages and salaries	878,602	692,388
Social security costs	62,183	53,856
Other pension costs	12,522	13,344
	953,307	759,588

During the year, no employees received salary or benefits of more than £60,000.

10 Tangible fixed assets

CONSOLIDATED	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2020	-	15,332	82,453	54,631	15,235	167,651
Additions	18,356	-	1,825	3,305	-	23,486
At 31 March 2021	18,356	15,332	84,278	57,936	15,235	191,137
Depreciation and impairment						
At 1 April 2020	-	5,778	69,609	44,231	11,744	131,362
Depreciation charged in the year	943	3,066	3,908	5,008	3,491	16,416
At 31 March 2021	943	8,844	73,517	49,239	15,235	147,778
Carrying amount						
At 31 March 2021	17,413	6,488	10,761	8,697	-	43,359
At 31 March 2020	-	9,554	12,844	10,400	3,491	36,289

10 Tangible fixed assets (Continued)

CHARITY	Plant and equipment	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	8,034	80,955	54,368	15,235	158,592
Additions	-	-	3,305	-	3,305
At 31 March 2021	8,034	80,955	57,673	15,235	161,897
Depreciation and impairment					
At 1 April 2020	5,378	69,559	44,187	11,744	130,868
Depreciation charged in the year	1,607	3,386	4,922	3,491	13,406
At 31 March 2021	6,985	72,945	49,109	15,235	144,274
Carrying amount					
At 31 March 2021	1,049	8,010	8,564	-	17,623
At 31 March 2020	2,656	11,396	10,181	3,491	27,724

11 Subsidiaries

These financial statements are separate financial statements for Recovery Connections.

Details of the charity's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Recovery Connections Enterprises Limited	UK	Restaurants, event space and florist	1	100.00	

Recovery Connections Enterprise Limited was incorporated on 2 July 2019 and is a wholly owned subsidiary of Recovery Connections Limited. A summary of the results of the subsidiary is shown below.

	2021 £	2020 £
Turnover	39,863	59,646
Cost of sales	(187,338)	(105,170)
Gross (loss)/profit	(147,475)	(45,524)
Administrative expenses	(56,571)	(48,407)
Other operating income	207,996	50,050
Net profit/(loss)	3,950	(43,881)

The aggregate of the assets, liabilities and funds was:

	£	£
Assets	89,342	15,166
Liabilities	(101,775)	(59,046)
Non current liabilities	(27,497)	-
	(39,930)	(43,880)
Called up share capital	1	1
Profit and loss reserves	(39,931)	(43,381)
	(39,930)	(43,380)

12 Stocks

CONSOLIDATED	2021	2020
	£	£
Finished goods and goods for resale	1,843	2,797

CHARITY	2021	2020
	£	£
Finished goods and goods for resale	-	-

13 Debtors

CONSOLIDATED

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	17,017	23,857
Other debtors	1,483	829
Prepayments and accrued income	195,376	41,328
	213,876	66,014

CHARITY

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	15,669	23,857
Amounts owed by subsidiary undertakings	63,487	34,462
Other debtors	870	829
Other taxation	151	-
Prepayments and accrued income	185,103	38,674
	265,280	97,822

14 Creditors: amounts falling due within one year

CONSOLIDATED

	Notes	2021 £	2020 £
Bank loans	16	2,503	-
Other taxation and social security		40,050	35,739
Deferred income	17	22,982	71,313
Trade creditors		16,369	5,150
Other creditors		4,172	7,450
Accruals		45,249	18,516
		131,325	138,168

CHARITY

	Notes	2021 £	2020 £
Other taxation and social security		36,696	27,870
Deferred income	17	22,982	71,313
Trade creditors		28	208
Other creditors		3,432	4,978
Accruals		30,050	9,216
		93,188	113,585

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	16	27,497	-

16 Loans and overdrafts

	2021 £	2020 £
Bank loans	30,000	-
Payable within one year	2,503	-
Payable after one year	27,497	-

The long-term loans are unsecured and were obtained as part of the Coronavirus "Bounce Back Loans" scheme.

17 Deferred income

CONSOLIDATED

	2021	2020
	£	£
Other deferred income	22,982	71,313

CHARITY

	2021	2020
	£	£
Other deferred income	22,982	71,313

18 Movement in 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				
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Recovery Service (MBC)	71,168	450,000	(403,740)	(90,000)	27,428
Other grants	33,026	504,677	(206,732)	(55,692)	275,279
Recovery Service (CGL Gateshead)	32,337	286,189	(251,386)	(27,314)	39,826
Supported Housing (Residential Rehabilitation)	50,206	61,810	(61,445)	-	50,571
Campus Recovery	22,224	-	(20,976)	(1,248)	-
	208,961	1,302,676	(944,279)	(174,254)	393,104
Unrestricted Funds	230,927	37,097	(99,966)	139,754	307,812
Trading subsidiary	(43,881)	213,359	(240,899)	34,500	(36,921)
	396,007	1,553,132	(1,285,144)	-	663,995

We have been the Abstinence and Recovery contract holders on behalf of Middlesbrough Council since October 2017.

Since November 2018 Recovery Connections has been subcontracted to work with Gateshead Recovery Partnership in relation to providing integrated drug and alcohol recovery services. The contract is scheduled to run until October 2022.

As a sub-contractor of CGL we provide lived experience recovery support as part of Stockton Recovery Service.

Included within Other grants;

Tees Valley	Training & meal delivery
Church Urban	Peer support
Lloyds	Organisational development

Covid related grants to assist community
National Lottery Community Fund three years funding to deliver Trauma
Counselling and awareness training within our Middlesbrough and Gateshead services.
CAF Additional staff support during Covid
Community Chest Middlesbrough council - Funding to provide nutritious hot meals during the lockdown periods of the pandemic for vulnerable groups.
Middlesbrough (Other) - Covid recovery - stairlift, room refurb
Churchill Fellowship Student recovery platform
MIDDLESBROUGH COUNCIL Project Adder Housing project

18 Movement in funds **(Continued)**

18 Movement in funds (prior year)

	Movement in funds				
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Recovery Service (MBC)	81,662	471,274	(481,768)	-	71,168
Other grants	27,079	72,302	(55,901)	(10,454)	33,026
Recovery Service (CGL Gateshead)	26,280	269,046	(262,989)	-	32,337
Supported Housing (Residential Rehabilitation)	29,111	85,799	(75,158)	10,454	50,206
Campus Recovery	-	36,050	(13,826)	-	22,224
	164,132	(934,471)	(889,642)	-	208,961
Unrestricted funds	266,964	1,656	(37,693)	-	230,927
Trading subsidiary	-	109,696	(153,577)	-	(43,881)
	431,096	1,045,823	(1,080,912)	-	396,007

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19 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 March 2021 are represented by:						
Tangible assets	30,941	12,418	43,359	21,408	14,881	36,289
Current assets/ (liabilities)	267,447	380,686	648,133	165,638	194,080	359,718
Long term liabilities	(27,497)	-	(27,497)	-	-	-
	270,891	393,104	663,995	187,046	208,961	396,007

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:

	2021	2020
	£	£
Within one year	-	90

21 Events after the reporting date

After the period end, the Coronavirus pandemic continued to impact on the financial position in relation to the trading subsidiary and the ongoing closure of the Fork in The Road restaurant and the various restrictions imposed by the UK Government which have had a significant impact on the hospitality sector as a whole. The restaurant and associated events space reopened in line with government policy around the relaxation of restrictions.

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	57,682	56,506

23 Cash generated from operations

	2021	2020
	£	£
Surplus/(deficit) for the year	267,988	(35,089)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	16,416	10,759
Movements in working capital:		
Decrease/(increase) in stocks	954	(2,797)
(Increase)/decrease in debtors	(147,862)	36,198
Increase in creditors	38,985	58,170
(Decrease)/increase in deferred income	(48,331)	71,313
Cash generated from operations	128,150	138,554

24 Analysis of changes in net funds

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	429,075	134,664	563,739
Loans falling due within one year	-	(2,503)	(2,503)
Loans falling due after more than one year	-	(27,497)	(27,497)
	429,075	104,664	533,739