

Charity registered number 1160531

North Wales Recovery Communities

Trustees' report and accounts

for the year ended 28 February 2023



NWRC

Registered Charity No. 1160531

North Wales Recovery Communities

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North Wales Recovery Communities

Report of the trustees

The trustees present their report along with the financial statements of the charity for the year ended 28 February 2023 and confirm they comply with the requirements of the Charities Act 2011, the Charitable Incorporated Organisations (General) Regulations 2012 and the charity's constitution.

The charity is registered with the Charity Commission under number 1160531.

Legal and administrative information

The trustees who served during the period are stated below:

Conor Mathieson
Mohammed Olanrewagu Peter Salami
Sarah Frances Flynn
David Turner (appointed 21/04/2023)

Principal office

Penrhyn House
Llandegai Road
Bangor
Gwynedd
LL57 1PZ

Structure, governance and management

The charity was established as a charitable foundation incorporated organisation on 17 February 2015.

Objectives and activities

To provide relief and support to vulnerable people and in particular those who are in recovery from substance misuse and have been affected by offending, homelessness & mental health issues in the areas of Conwy, Flintshire, Gwynedd and the Isle of Anglesey.

The charity achieves its objectives by the provision of abstinence based housing, open access therapeutic programmes, the promotion of health and well-being, practical support and promoting personal development.

Achievements and performance

The course of the past year has been tumultuous one for NWRC.

We have continued to grow and develop a thriving recovery community at Penrhyn House. NWRC's approach remains one of Asset based community development and we continue to be recognized as a centre of excellence in terms of supporting abstinence-based community recovery through a number of varied pathways. We have regularly received positive press coverage throughout the local and national press and have featured heavily in the recently launched Recovery Voices website launched by Professors David Clarke and Wulf Livingston.

We have also recently completed our second year's trading at Bwyd Da Bangor, our restaurant/Café that we opened to the public in November of 2021. Whilst this project continues to have its own challenges in terms of sustainable funding etc, NWRC have nevertheless established and maintained Bwyd Da as a vibrant, organic, ethically sourced business that has been extremely well received by the local community and regularly attracts 5-star customer reviews due to the quality of the food produced. The Bwyd Da project is also immensely rich in social value and continues to offer a platform to support a number of other marginalized groups within our community

Bwyd Da currently employs 19 full and part time staff, The vast majority of whom have complex long term barriers to employment.

As well as the usual restaurant/ coffee shop offer, Bwyd Da continues to offer a 12-month training/employment opportunity for individuals looking to return to the workplace. There is also a surplus food club that offers its members, any of whom who would otherwise be experiencing food poverty a wide variety of surplus food sourced from local supermarkets and organization's such as Fair Share

Therapeutic programme

NWRC has continued to deliver a therapeutic programme that comprises of a series of psychosocial group programmes, mutual aid groups and physical activities aimed at supporting individuals to achieve recovery from addiction.

The programme continues to equip its participants with the skills to cope with a life substance free, as well as addressing any long-term barriers to employment and increasing physical health and enhancing wellbeing.

Now into its eighth year of delivery, the programme has remained incredibly successful with participants attending from a wide catchment area. It has been recognised as being unique in its approach to supporting recovery and has continued to receive regular coverage in both the written press, television and radio, with participants being regularly invited to discuss their positive and often life changing experiences.

The project continues to comprise of multiple Mutual aid-based recovery programmes including "Moving on in my Recovery" (An A.C.T based programme) and access to onsite 12 step fellowship & SMART recovery meetings. Alongside therapeutic and skill-based courses, individuals have also been able to access a variety of diversionary activities, developing new skills and interests to "fill the void" left by their addictions.

These sessions focus upon enhancing health & wellbeing and include Mindfulness, Yoga, 5 a side football, running, mountain walking etc.

Over the course of the past 12 months NWRC have also continued to offer a more creative outlet for participants with a creative writing course, Art therapy and the continuing long-term partnership with Eternal Media.

NWRC's long standing organic growing project "Growing for change" have enjoyed another strong year, supplying several restaurants/cafes with fresh organic produce. Attracting long term sustainable funding that supports G4C to transition to a stand-alone charitable entity remains a priority of NWRC.

The growth in abstinence-based recovery within Northwest Wales remains one of NWRC's greatest successes. Having started Eight years ago with only one 12 step fellowship meeting, NWRC are now proud to host upwards of six mutual aid meeting per week at Penrhyn house including AA, CA, NA etc. The most recent addition being a group that supports issues of codependency.

As well as the meeting hosted at Penrhyn House, NWRC now also host community-based AA, CA & NA meetings at Bwyd Da and continue to provide recovery support groups in both South Gwynedd and Ynys Mon and have also seen numerous meetings being established all the way across North Wales by ex-residents of Penrhyn House who have now returned to their home areas and are now using their strength, hope and experience to establish new meetings and act as "Recovery beacons".

NWRC also agreed to partner with "Helping groups to grow" in the latter stages of 2023 and in 2024 will start to rollout the establishment of new "MOIMR" groups starting in South Gwynedd and gradually rolling out across North Wales over what is hoped will be a two-year period. As part of the agreement NWRC will also take responsibility for training more facilitators and establishing long term "legacy" groups.

The culture & recovery orientated system of care that we have embedded at Penrhyn House continues to support its peers in reaching personal milestones in recovery and as a result our community has grown from strength to strength in terms of established sobriety and the ability to offer service to others. As such most of the mutual aid on offer at Penrhyn House continues to be peer led.

Penrhyn house continue to offer a wide variety of mutual aid programmes including

- Moving on in my Recovery- This A.C.T based (Acceptance & Commitment therapy) programme has become the bedrock of the mutual aid on offer at Penrhyn. Designed for individuals coming to the end of their formal treatment journey, it aims to equip participants with the skills necessary to cope with a life substance free. Moving on remains an integral part of the programme on offer at Penrhyn
- Alcoholics Anonymous- An independent 12 step fellowship that holds a weekly meeting at Penrhyn House. By its nature AA is an anonymous fellowship that does not record the number of attendees, however this has proved to be an extremely popular meeting within Northwest Wales and averages between 25-30 members per week.
- Narcotics Anonymous- Similar in structure and traditions to AA, this is an anonymous 12 step fellowship that holds twice weekly meetings at Penrhyn House. The meeting has gone from strength to strength with a second meeting now being held on a Monday lunch time. As a result of these meetings there has again been an increase in 12 step recovery and NWRC peers are regularly able to support other fledgling meetings within the Flintshire & Conwy areas.
- Cocaine Anonymous- NWRC now hold a weekly CA meeting/ "big book" study group that has proved to be extremely popular from the outset.
- Over eaters anonymous (OA)- a twelve step fellowship for individuals who have a poor relationship with food. This has been a recent addition to the therapeutic programme on offer at Penrhyn House
- CODA- Anonymous fellowship group supporting individuals in codependent relationships.
- SMART Recovery- (Self Management & Recovery Techniques)- Over the course of the past 12 months a number of participants have undertaken the accredited training necessary to facilitate SMART recovery sessions and as such have been able to facilitate this meeting. Based on the principles of Cognitive Behavioural Therapy, SMART focuses upon the thinking that leads to problematic substance misuse and offers a real alternative to 12 step recovery.
- Bangor Recovery Project (BRP)- A mutual aid facilitation project that was originally commissioned by the Area planning board to be delivered throughout North Wales. The project aims to explain how and why recovery works for individuals and takes them through the various options available. The recovery orientation and success rates of the participants have proved to be way above the normal average and as a result NWRC have continued to commission the group on a consistent basis.

Abstinence based housing

N.W.R.C have continued to deliver abstinence based multi occupancy housing from the Penrhyn House site in Bangor, housing up to 17 individuals at a time.

The continued success at Penrhyn House means that demand for a placement remains high. As a result of this demand Penrhyn House continue to operate at full occupancy, with a waiting list of up to 8 individuals at any one time. Due to the high demand for a placement, NWRC are able to offer places to individuals who appear most motivated and often ask perspective residents to engage on a day basis whilst awaiting a room in order to judge levels of commitment and suitability. As well as evidencing motivation it also allows the individual the opportunity to develop positive relationships with existing residents ahead of moving in which often increases the chances of success once a tenancy commences.

Residents continue to adopt a "working week" and must satisfy a minimum of 20-30 hours of positive pro social activity a week in order to maintain their tenancies. These hours can consist of voluntary work, treatment or further education and can be sourced externally or satisfied within the in-house therapeutic programme currently on offer.

Whilst the housing element of NWRC's service remains financially self-sustaining, there have undoubtedly been issues caused by the ongoing cost of living crisis. With energy bills being hit by unprecedented price increases, NWRC are continuing to review the current level of eligible HB and increase the charge accordingly.

This coupled with the ever-increasing repair and maintenance costs at an aging Penrhyn site again underline why the move to more up to date energy efficient premises are vital if NWRC are to continue to grow and develop long-term in what are becoming ever increasingly difficult financial times.

Move on accommodation.

As present NWRC only retain one move-on unit in Ynys Mon as a long-term placement for individuals over 65 years of age.

As mentioned in last year's report, future plans around "move on" accommodation were centered on the new site at Hillgrove. As this is no longer happening NWRC will need to revisit the issue of move on accommodation again in the very near future. To this end we have begun to develop a relationship with a private landlord who is interested in providing accommodation for individuals in sustained abstinent based recovery and it is hoped that we can announce a new partnership with.

Potential future developments

At present the priority for NWRC must be securing an alternative site to Penrhyn House, now that Hillgrove House is no longer being made available to us. Until this matter is resolved then NWRC are unable to look at any new developments.

Current challenges

At present the biggest challenge facing NWRC is the recent collapse of the proposed move to Hillgrove House. This decision whilst not one NWRC's choosing leaves us in an extremely precarious position.

The lease at our current home of Penrhyn House is due to expire on the 24th of December 2023 and as such the immediate priority has been to secure a short-term lease that guarantees the ongoing existence of NWRC. Whilst we have a strong working relationship with our existing landlord which will ensure that we don't become "homeless", a new long-term lease at Penrhyn house is far from assured and is not even necessarily desirable given the increasing dilapidated nature of an aging site.

As such NWRC will need to look to regroup once the Hillgrove matters have been fully resolved in order to look at securing the best long-term option for NWRC moving forwards.

Other challenges continue to be the ongoing financial struggles to secure sustainable funding for Bwyd Da. When the project was devised, all parties involved accepted that a project of this nature would always be heavily grant reliant.

When NWRC were approached by BCUHB to be the delivery partner we were asked to model the revenue costs and informed them that a project of this kind employing upwards of 15 individuals, with a training element and a surplus food club as requested would cost approximately £375k per annum to fund which was accepted by all partners involved as being appropriate. As noted in last year's report despite being the project design and commissioners, BCUHB have failed woefully to meet their funding commitments to Bwyd Da. NWRC have continued to try and hold BCUHB to account for this, including the submission of a formal complaint to the Trust.

At this point it needs to be acknowledged that Bwyd Da should have been a roaring success for NWRC when judged against the initial plans for it. We have satisfied our element of the Bwyd Da project in an exemplary manner. We have delivered every element of the project on time and within budget, from the initial build right throughout our first year of trading.

Sadly, in early November it looked like NWRC would have to take the difficult decision to close Bwyd da due to the lack of funding received. However, Gwynedd council have stepped in to take over the lead from BCUHB have decided to establish a new task group with support from their finance department to try and establish a sustainably funded model that would offer Bwyd Da a long-term secure future. This first meeting of this new group is due to meet on 10/01/24.

Therapeutic grant funding

NWRC continue to receive £89k per annum from the North West Area Planning Board at Penrhyn House.

Financial review

The charity's income was £987,263 and net loss for the year was £177,969. The charity aims to maintain cash reserves of £15,000.

This report was approved by the trustees on 18 December 2023 and signed on their behalf by

Sarah Frances Flynn

Trustee

North Wales Recovery Communities

Independent Examiner's Report to the Trustees of North Wales Recovery Communities

I report on the accounts of the charity for the year ended 28 February 2023.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011,
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011 and
- state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the accounts.

Independent examiner's report

In the course of my examination no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure:
 - proper accounting records are kept in accordance with section 130 of the Charities Act 2011 and
 - accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Charities Act 2011 or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mr N A Christian FCPA

Christian Sykes & Co Ltd
333/335 High Street
Bangor
Gwynedd
LL57 1YA

Dated: 18 December 2023

North Wales Recovery Communities

Statement of financial activities for the year ended 28 February 2023

	note	Unrestricted funds £	Prior year funds £
Incoming resources			
Income and endowments from:			
Donations and other grants		161,663	250,123
Charitable activities			
<i>Central and local government grants for the provision of care.</i>	3	494,308	602,215
<i>Other trading activities</i>		331,292	98,134
Total		<u>987,263</u>	<u>950,472</u>
Resources expended			
Expenditure on:			
Charitable activities	4		
<i>Expenditure on the provision of care</i>		520,097	699,709
<i>Other trading activities</i>		645,135	245,443
Total		<u>1,165,232</u>	<u>945,152</u>
Net income		(177,969)	5,320
Transfers between funds		-	-
Net movement in funds		(177,969)	5,320
Reconciliation of funds:			
Total funds brought forward		264,805	259,485
Total funds carried forward		<u>86,836</u>	<u>264,805</u>

North Wales Recovery Communities

Balance sheet as at 28 February 2023

	note	Unrestricted funds £	Prior year funds £
Fixed assets			
Tangible assets	9	184,271	204,840
Total fixed assets		184,271	204,840
Current assets			
Debtors	10	1,649	22,192
Cash at bank and in hand	12	34,239	103,233
Total current assets		35,887	125,425
Creditors: amounts falling due within one year	11	133,322	65,460
Net current assets		(97,435)	59,965
Total net assets		86,836	264,805
Funds of the charity			
Unrestricted funds		86,836	264,805
Total funds		86,836	264,805

North Wales Recovery Communities

Notes to the accounts for the year ended 28 February 2023

1 Basis of preparation

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The accounts have been prepared in accordance with:

- the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014,
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and
- the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

1 Going Concern

There are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern.

2 Accounting policies

2.1 Income

Recognition of income

Income is included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Offsetting

There has been no offsetting of assets and liabilities or income and expenses unless required or permitted by the FRS 102 SORP or FRS 102.

Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).

In the case of performance related grants, income is only recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

Contractual income and performance related grants

This is only included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.

North Wales Recovery Communities

Notes to the accounts (cont) for the year ended 28 February 2023

2.1 Income (cont)

Support costs

The charity has incurred expenditure on support costs.

2.2 Expenditure and liabilities

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

2.3 Assets

Tangible fixed assets for use by the charity

These are capitalised if they can be used for more than one year and cost at least £100.

They are valued at cost and the depreciation rates and methods are disclosed in note 7.

Debtors

Debtors, including trade debtors and loans receivable, are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

3 Analysis of income

Charitable activities

Income from charitable activities

	Unrestricted funds £	Last year £
Abstinence based housing	388,837	472,664
Physical diversity activity	52,735	64,775
Complimentary therapies	52,735	64,775
Other trading activities	331,292	98,134
	<hr/> 825,600	<hr/> 700,348

North Wales Recovery Communities

Notes to the accounts (cont) for the year ended 28 February 2023

4 Analysis of expenditure

Expenditure on charitable activities

Activity	Activities undertaken £	Support costs £	Total £	Last year £
Abstinence based housing	368,600	3,852	372,452	472,183
Physical diversity activity	139,920	3,852	143,772	216,669
Complimentary therapies	1,497	3,852	5,349	24,317
Other trading activities	621,047	22,612	643,659	231,983
	1,131,065	34,168	1,165,232	945,152

5 Support costs

	This year £	Last year £
Office	11,662	20,349
Professional fees	17,806	55,452
Finance	3,700	3,660
Governance	1,000	1,000
	34,168	80,461

6 Details for certain items of expenditure

6.1 Fees for examination of the accounts

Independent examiner's fees £1,000 (2022: £1,000).

No fees were paid for assurance services, tax advisory fees or other fees either for this year or last year.

7 Paid employees

7.1 Staff costs

	This year £	Last year £
Salaries and wages	389,907	218,267
Social security costs	24,072	15,902
Pension costs (defined contribution scheme)	7,002	5,011
Total staff costs	420,982	239,180

7.2 Average head count in the year

	This year Number	Last year Number
The parts of the charity in which the employees work		
Physical diversity activity	2	4
Café staff	28	10
	30	14

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Notes to the accounts (cont) for the year ended 28 February 2023

8 Defined contribution pension scheme	This year £	Last year £
Amount of contributions recognised in the SOFA as an expense	7,002	5,011

9 Tangible fixed assets

	Freehold Property £	Motor Vehicles £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At the beginning of the year	78,773	19,000	137,880	216,652
Disposals	-	-	-	-
Additions	-	-	2,567	2,567
At the end of the year	78,773	19,000	140,446	238,219
Depreciation				
At the beginning of the year	1,097	4,750	24,966	26,063
Disposals	-	-	-	-
Depreciation	1,097	3,561	17,287	18,384
At the end of the year	2,194	8,311	42,253	52,758
Net book value				
At the beginning of the year	77,676	10,689	112,914	123,603
At the end of the year	76,578	10,689	98,194	185,461

Tangible fixed assets are depreciated as follows:

Freehold property - 2% on cost
Fixtures, fittings and equipment - 15% on the reducing balance basis
Motor vehicles - 25% on the reducing balance basis

10 Debtors and prepayments

10.1 Analysis of debtors	This year £	Last year £
Trade debtors	-	-
Taxation and social security	-	20,794
Other debtors	1,649	1,399
	1,649	22,193

North Wales Recovery Communities

Notes to the accounts (cont) for the year ended 28 February 2022

11 Creditors and accruals

11.1 Analysis of creditors and accruals

	This year £	Last year £
Trade creditors	46,468	56,303
Taxation and social security	62,422	6,812
Accruals and deferred income	-	1,000
Other creditors	24,432	1,345
	133,322	65,460

12 Cash at bank and in hand

	This year £	Last year £
Cash at bank and on hand	34,239	103,233

13 Trustee remuneration and benefits

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

14 Trustee's expenses

Type of expenses reimbursed	This year £	Last year £
Travel and subsistence	-	-
Office costs	-	-
	-	-

The number of trustees paid expenses was NIL (2022: NIL).

North Wales Recovery Communities

Notes to the accounts (cont) for the year ended 28 February 2022

15 Transactions with related parties

During the year the charity was invoiced £234,196 (2022: £260,982) by North Wales Recovery Communities Cyf, a company controlled by an employee, for providing supervisory care of the charity's beneficiaries.

At the 28/02/23 the charity owed North Wales Recovery Communities Cyf £23,970 (2022: £17,205).

16 Post Balance Sheet Events

As of the 1st March 2023 the trading arm of North Wales Recovery Communities also known as Bwyd Da was incorporated into a separate entity and currently trades as a stand alone company limited by guarantee.

All assets and liabilities will transfer as of the 1st March 2023 and will be shown separately in the next financial statements with any amounts owed or owing to North Wales Recovery Communities.