

RECOVERY WORKS LIMITED

Report and Financial Statements

Year ended 31 March 2023

Company Registration Number: 10414230
Charity Registration Number: 1174723

RECOVERY WORKS LIMITED
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RECOVERY WORKS LIMITED

COMPANY INFORMATION

Trustees

P A Simpson
M V Leeson
R Dickins

Company Secretary

P A Simpson

Registered office

Lee House
90 Great Bridgewater Street
Manchester
M1 5JW

External Auditor

RSM UK Audit LLP
Chartered Accountants
Ninth Floor, Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

Bankers

National Westminster Bank PLC
19 Market Street
Manchester
M1 1WR

RECOVERY WORKS LIMITED
TRUSTEES' ANNUAL REPORT
For the year ended 31 March 2023

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Recovery Works Limited for the year ended 31 March 2023. The Trustees confirm the annual report and financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Trustees

M A Hughes MBE (Resigned 12 October 2022)

P A Simpson

M V Leeson

R Dickins

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal and administrative information

The charity is a private company limited by guarantee, without share capital and is governed by its Memorandum and Articles of Association. The charity was incorporated in England and Wales and has company number 10414230 and charity number 1174723.

Board of trustees

The charity is governed by its board of trustees, who for the purposes of the Companies Act 2006, act as directors of the charity. The trustees who served during the year and up to the date of approval of the financial statements, are set out above.

Qualifying third party indemnity provisions

The Growth Company Limited group has made qualifying third-party indemnity provisions for the benefit of the trustees during the year. These provisions remain in force at the reporting date.

Method of appointment and training of trustees

Trustees are appointed in accordance with the company's Articles of Association. Trustees' meetings take place on a quarterly basis, where the performance of the charity is monitored and reported upon.

New trustees are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity.

Trustees are encouraged to attend appropriate external training events, where these will facilitate the undertaking of their role.

Pay policy for senior staff

The trustees consider that the board of directors, who are the company's trustees, and the senior management team comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the company on a day-to-day basis. Details of the trustees' remuneration and expenses are disclosed in note 7 to the financial statements. Pay for senior staff is reviewed annually through the company performance appraisal mechanisms.

Group structure and relationships

The charity currently does not have a dominant influence over another entity. It is a wholly owned subsidiary of The Growth Company Limited and is included in its consolidated financial statements.

RECOVERY WORKS LIMITED
TRUSTEES' ANNUAL REPORT
For the year ended 31 March 2023

Audit committee

Internal and external audit scrutiny is provided by The Growth Company Limited's Audit Committee, which meets on a quarterly basis. Paul Simpson attends these meetings as both a trustee of Recovery Works Limited and a board member of The Growth Company Limited.

Governing members

The Growth Company Limited is the sole member of Recovery Works Limited. The day to day management of the charity is undertaken by the group senior management team, specifically the managing director of The Growth Company Limited and Recovery Works Limited Chief Executive.

Organisational Management

The Trustees are legally responsible for the overall management and control of the Charity. The full governing body generally meets four times a year and reviews management accounts, approves revenue budgets, considers capital projects and costs and approves the audited accounts and annual report.

The board of trustees meets at least quarterly to:

- develop and approve the charity's strategy;
- approve the charity's financial plans;
- review the charity's progress against its strategy;
- review the financial position and results of the charity and variations from the financial plans;
- identify and manage risks;
- evaluate the impact of the charity's activities.

RISK MANAGEMENT

The board of trustees, supported by The Growth Company Limited's Audit Committee, reviews the major risks to which the charity is exposed on an ongoing basis and ensures that systems are established to mitigate those risks. Systems and procedures are reviewed periodically to ensure that they still meet the needs of the charity.

The principal risks are as follows:

Reduction in charitable income due to key Prime provider changing priorities

Over the last year, the service has felt the continued financial pressures of our prime contractor Change Grow Live, (CGL), which have been passed on in part to the service. There remains a continued drive within CGL to directly deliver, where they are able to themselves, as part of their ongoing strategy to save money. Over the last twelve months such discussions between CGL and ourselves have not led to any direct cut in funding, (due in no small part to solid performance), but these same funding streams have not received any percentage increase either; increases which are needed to cover increased delivery costs. Two services to mention that have been under considerable pressure due to this issue have been the custodial (Thorn Cross & Risley) and Warrington services. For the former, we continue to discuss the situation with CGL and in the case of the latter we have deferred the conversation to the next financial year.

Loss of key members of staff

The charity continues to disseminate knowledge and opportunities within the team with the aim of reducing its reliance on specific individuals. Strategies for this over the past twelve months have included the pursuit of robust and accelerated personal development plans, which has worked well, and the introduction of structural team changes, including the appointment of a Service Manager for the team. We have also continued to recruit individuals with strong experience and knowledge of the sector and the charity now employs 18 staff, which is the largest team size for some years. We have also appointed two new Lead Advisers, both with the experience and knowledge to be able to support beyond the immediate duties of their own roles.

Finally in this regard, the charity has refreshed its staff development plans as it seeks to enhance the service offer to commissioners, whilst supporting staff in pursuit of their personal development plans and careers, nurturing them to see their careers growing within Recovery Works.

Reduction in charitable income due to changes to government and commissioner approach

This is both a risk and an opportunity. Government continues to pursue the objectives set out in the White Paper, 'From Harm to Hope', which sets out government strategy for the next ten years. As part of this paper, the newly created Office for Health Improvement & Disparities is increasingly focusing on certain models of support for service users which will call for new or refreshed service offers. Here we have seen the growth of attention in two separate directions. The first, being Individual Placement Support (IPS), has a sharp focus on sustainable employment; it does not particularly focus on other issues nor so much the journey. In contrast, the second area of focus very much looks at the multi-barrier complexities of our service users and seeks to address all of these through the utilisation of a holistic and wrap around approach. This area is being reviewed closely by Recovery Works and, whilst this opens up new areas and types of support to us, it also moves away from our traditional strength area of employability.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

The objective of the charity is the prevention or relief of poverty, by providing or assisting in the provision of education, training, healthcare projects and all the necessary support designed to enable individuals to generate a sustainable income and be self-sufficient.

Strategies of achieving objectives

The board of trustees continuously review the charity's activities and the benefits delivered to ensure its objects are furthered, paying due regard to the "General Guidance on Public Benefit" published by the Charity Commission. The success of activities is reviewed as part of the annual planning process, in the context of benefits they bring to those groups of people the charity is set up to help. These reviews look at the outcomes of our work and what we achieved over the previous 12 months. The review looks at the success of each activity and the benefit to those groups of people we are set up to help.

Aims and intended impact

Within these objects, the charity's aim is to provide support to charities, by upskilling individuals to become ready for employment. Recovery Works aims to increase self-esteem, confidence and motivation and remove perceived barriers to success. This is achieved through our bespoke programmes which meet the needs of the customer and client group. The range of activities includes one-off sessions, fixed term courses and rolling programmes. Each can operate as a standalone intervention or as an additional component, or energiser, to an existing programme, dependent on the specific needs of each partner organisation and client group. Recovery Works is complementary to other charities and community groups, and we see ourselves as the charity of choice for other charities.

Objectives for the year

The objectives of the charity for this year are as follows:

- Secure additional IPS funding
- Support the sister service - DWP Peer Mentoring Service (Liverpool City Region)
- Increase the number of beneficiaries securing sustained employment
- Support the tender by GC for the Greater Manchester Combined Authority IPS service
- Revitalise the custodial offer to CGL / HMPPS

Objectives for the year have been reviewed in the section below.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

In the year under review:

- The charity supported 1,216 beneficiaries.
- 779 beneficiaries were supported into mainstream, accredited education/learning.
- 83 beneficiaries undertook community volunteering opportunities.
- 224 beneficiaries secured sustainable employment.
- 96 of the beneficiaries that found work were still employed after 13 weeks (45%)
- At year-end, the service was delivering employment, training and education support services across seven contracts:
 - Wirral
 - Warrington community
 - Warrington custody (HMP Thorn Cross and HMP Risley)
 - East Cheshire
 - Hull
 - Wirral IPS
 - Knowsley IPS
 - Sefton IPS
 - St Helens IPS
- During the year, three of our contracts were extended again - Wirral, Warrington Pathways Community and Warrington Pathways Custody
- The service appointed a Service Manager as dedicated full-time managerial support
- Two additional IPS service contracts commenced (Sefton and St Helens)
- The team is now using a balanced and stable blend of digital and face-to-face service delivery options, born out of the delivery model created during Covid, and now partially retained permanently.
- The Growth Company was successful in its tender for Liverpool City Region DWP Test and Learn funded, Substance Support Lived Experience Peer Mentor Service. (April 2023-2025). This tender was very much built on the achievements of Recovery Works, and the Recovery Works team are very much a part of the induction and implementation support of this new service.

FINANCIAL REVIEW

Review of the charity's financial position

The results for the year are shown on page 12. Principal funding sources for Recovery Works' activities comprise charitable activities, such as the provision of services to people from underprivileged backgrounds. Total income from charitable activities for the year was £560,822 (2022: £422,606). The income was mainly generated from the services provided in Wirral IPS, Knowsley and Warrington custody.

The expenditure for the year amounted to £550,645 (2022: £360,223). Expenditure has increased broadly in line with the income generated in the year.

The result for the year was a surplus of £10,177 (2022: £62,383). At the year end, there were net assets of £135,005 (2022: £124,828). The trustees plan to make progress in strengthening the finances of Recovery Works, despite the prevailing economic conditions. Consequently, the trustees continued efforts to increase the charity funds through charitable activities is of central importance to the future development of Recovery Works Limited. The Trustees continuously keep these matters under review.

FINANCIAL REVIEW (CONTINUED)

Reserves policy

Recovery Works currently has a surplus of £135,005 (2022: £124,828), however, the holding company, The Growth Company Limited, guarantees the present and future obligations of the charity under its contracts. It remains the responsibility of the trustees to develop a reserves policy which will aim to provide financial sustainability for Recovery Works over the next year.

The level of free reserves was a surplus of £135,005 (2022: £124,828). With an expected improvement in results, the trustees believe that this level of free reserves will improve and increase in the future. A letter of support has been provided by The Growth Company Limited to support Recovery Works over the next twelve months.

Going concern

As at 31 March 2023, the company has net assets of £135,005 (2022: £124,828). The trustees have reviewed a detailed re-forecast to March 2024 and weekly cashflow forecasts for a period of at least the 12 months from the date of signing these financial statements which includes reviewing the market intelligence and company track record to shape relatively prudent estimates and to consider adaptation of the business model to a digitalised approach. As such the trustees believe that they have a reasonable expectation that the Company will be able to operate within its available resources and there will be sufficient funds to enable the Company to continue as a going concern for the foreseeable future as part of the wider group with reliance on their overdraft facilities should the need arise.

The company received a parent company guarantee from The Growth Company Limited, providing support to the company for a period of at least 12 months from approval of these financial statements. Thus, the trustees are satisfied that the charity can meet its obligations as and when they fall due, and accordingly continue to adopt the going concern basis of accounting in preparing the financial statements.

FUTURE DEVELOPMENTS

During 2023/24 and beyond, Recovery Works aims to:

- Continue to learn, evaluate and improve.
- Enhance and broaden the portfolio of prime providers from whom we subcontract services.
- Pursue the diversification of our support offer to include non-ETE key performance indicators such as, health both physical and mental, accommodation, and life-enrichment activities.
- Increase the focus on the three income categories of public-sector commissioning, application to grant-making trusts and corporate donations/ fundraising.
- Strengthen Recovery Works reserves.
- Expand our custodial service offer and delivery.
- Develop the value from our website and social media presence.
- Further evaluate our social value and impact
- Continue to review our mission, values, structure and operations.
- Continue to listen to our beneficiaries and customers.
- Develop staff competencies via professional qualifications. E.g., the roll-out of mental health and professional counselling training.

RECOVERY WORKS LIMITED
TRUSTEES' ANNUAL REPORT
For the year ended 31 March 2023

PUBLIC BENEFIT

The trustees have had due regard to the Charity Commission's guidance on public benefit. We provide public benefit by engaging individuals who are in need, who find it difficult to access mainstream services, motivating them and giving them the self-confidence and skills that will help them become economically active, and to add value to both their community and society. To this end, we support a wide range of beneficiaries. For example, we support individuals who misuse drugs and alcohol, helping them to make positive lifestyle choices, become independent and sustain their recovery. We work with people with convictions, supporting changes in offending behaviour. We work with individuals experiencing physical and mental ill health, providing an environment where they can realise their potential.

We check that we are achieving this by gaining feedback from participants, before and after our interventions have been delivered, by working collaboratively with our funders to ensure that we are meeting their delivery expectations and by benchmarking our services against similar support agencies.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Recovery Works Limited for the purposes 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. 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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.

Provision of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that, so far as that trustee is aware:

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Signed on behalf of the trustees:



M V Leeson

Director

Date ...18th September 2023.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECOVERY WORKS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Recovery Works Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities (incorporating income and expenditure account), the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2023 and of its 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 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report. 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECOVERY WORKS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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 Directors' Report included within the Trustees' Report.

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
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 8, the trustees (who are also the 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 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 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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECOVERY WORKS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and financial statement disclosures, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety and safeguarding. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging whether judgments and estimates are indicative of management bias;
- challenging judgements and estimates applied in the valuation of accrued and deferred income on contracts and testing a sample of income items to underlying contracts. We tested a sample of income transactions recognised either side of the reporting date to determine whether income was recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



John Guest (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Ninth Floor, Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

Date: 22/09/23

RECOVERY WORKS LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2023

		Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
<i>Income and endowments from:</i>					
Charitable activities	3	<u>560,822</u>	<u>-</u>	<u>560,822</u>	<u>422,606</u>
Total income and endowments		<u><u>560,822</u></u>	<u><u>-</u></u>	<u><u>560,822</u></u>	<u><u>422,606</u></u>
 <i>Expenditure on:</i>					
Charitable activities	4	<u>550,645</u>	<u>-</u>	<u>550,645</u>	<u>360,223</u>
Total expenditure		<u><u>550,645</u></u>	<u><u>-</u></u>	<u><u>550,645</u></u>	<u><u>360,223</u></u>
 Net income and movement in funds		10,177	-	10,177	62,383
 Reconciliation of funds					
Total surplus brought forward		<u>124,828</u>	<u>-</u>	<u>124,828</u>	<u>62,445</u>
Total surplus carried forward		<u><u>135,005</u></u>	<u><u>-</u></u>	<u><u>135,005</u></u>	<u><u>124,828</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure relate to continuing activities.

The notes on pages 15 to 21 form part of these financial statements.

RECOVERY WORKS LIMITED
BALANCE SHEET
For the year ended 31 March 2023

	Notes	2023 £	2022 £
CURRENT ASSETS			
Debtors	9	177,260	82,026
Cash at bank and in hand		<u>14,856</u>	<u>75,718</u>
		192,116	157,744
CREDITORS: amounts falling due within one year	10	<u>(57,111)</u>	<u>(32,916)</u>
Net assets		<u>135,005</u>	<u>124,828</u>
CHARITY FUNDS			
Restricted income funds	11	-	-
Unrestricted income funds	11	<u>135,005</u>	<u>124,828</u>
Total surplus		<u>135,005</u>	<u>124,828</u>

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

The financial statements were approved by the board of trustees and authorised for issue on ...18th September 2023..... and are signed on its behalf by:



M V Leeson
Director

The notes on pages 15 to 21 form part of these financial statements.

RECOVERY WORKS LIMITED
STATEMENT OF CASHFLOWS
For the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash (used in)/ generated from operating activities	13	<u>(60,862)</u>	<u>136</u>
Net cash (used in)/ generated from operating activities		<u>(60,862)</u>	<u>136</u>
(Decrease)/ increase in cash and cash equivalents in the year		<u>(60,862)</u>	<u>136</u>
Cash and cash equivalents at the beginning of the year		<u>75,718</u>	<u>75,582</u>
Total cash and cash equivalents at the end of the year		<u>14,856</u>	<u>75,718</u>
Relating to:			
Cash at bank and in hand		<u>14,856</u>	<u>75,718</u>

RECOVERY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

1. ACCOUNTING POLICIES

Company information

The company is a private company limited by guarantee without share capital and is registered, domiciled, and incorporated in England and Wales. The registered office is Lee House, 90 Great Bridgewater Street, Manchester, M1 5JW.

The company's principal activities and nature of its operations are disclosed in the Trustees' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities SORP ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company and rounded to the nearest £. The company constitutes a public benefit entity as defined by FRS102.

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' — Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

The financial statements of the company are consolidated in the financial statements of The Growth Company Limited and are available from its registered office, Lee House, 90 Great Bridgewater Street, Manchester, M1 5JW.

Going concern

As at 31 March 2023, the charity has net assets of £135,005 (2022: £124,828).

The trustees have reviewed a detailed re-forecast to March 2024 and weekly cashflow forecasts for a period of at least the 12 months from the date of signing these financial statements which includes reviewing the market intelligence and company track record to shape relatively prudent estimates and to consider adaptation of the business model to a digitalised approach. As such the trustees believe that they have a reasonable expectation that the Company will be able to operate within its available resources and there will be sufficient funds to enable the Company to continue as a going concern for the foreseeable future.

The company received a parent company guarantee from The Growth Company Limited, providing support to the company for the at least 12 months following approval of these financial statements. Thus the trustees are satisfied that the charity can meet its obligations as and when they fall due, and accordingly continue to adopt the going concern basis of accounting in preparing the financial statements.

1. ACCOUNTING POLICIES (CONTINUED)

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Resources expended

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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity, are apportioned between those activities, on a basis consistent with the use of resources.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Tax status

The charity is exempt from tax on income and gains falling within Chapter 3 Part 11 Corporation Taxes Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102, in full, to all of its financial instruments.

Trade and other debtors and creditors (including group balances) are initially recognised at transaction value and subsequently measured at their settlement value.

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

RECOVERY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

1. ACCOUNTING POLICIES (CONTINUED)

Fund accounting

Funds held by the charity are either:

- Unrestricted funds, being funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- Restricted funds, being funds that can only be used for a particular restricted purpose within the objects of the charity. Restrictions arise when specified by a funder. The costs of raising and administering such funds are charged against the specific fund.

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

The trustees consider that there are no estimates, judgements and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Charitable activities	<u>560,822</u>	<u>-</u>	<u>560,822</u>	<u>422,606</u>

In 2023, of the total income from charitable activities, £560,822 (2022: £422,606) was credited to unrestricted funds and £nil (2022: £nil) to restricted funds.

RECOVERY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff training, development and welfare	3,885	4,302
Printing, postage and stationery	765	54
Telephone and fax	4,361	4,456
Insurance	1,666	2,405
Bank charges	65	117
Transport costs	1,174	-
Irrecoverable VAT	82	20
Direct costs	71,928	51,889
Wages and salaries	453,094	284,630
Other staff costs	-	-
Governance costs (note 5)	13,625	12,350
	550,645	360,223

In 2023, of the total expenditure on charitable activities, £550,645 (2022: £360,223) was charged to unrestricted funds and £nil (2022: £nil) to restricted funds. Costs are allocated on an incurred basis. The expenditure relates to personal and team development activities.

5. GOVERNANCE COSTS

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Legal and professional costs	40	-	40	-
Auditor's remuneration – audit	13,585	-	13,585	12,350
	13,625	-	13,625	12,350

In 2023, of the total governance costs, £13,625 (2022: £12,350) was charged to unrestricted funds and £nil (2022: £nil) to restricted funds. Costs are allocated on an incurred basis.

6. ANALYSIS OF EXPENDITURE BY TYPE

	Staff costs	Other costs	Total Funds 2023	Total Funds 2022
	£	£	£	£
Personal and team development	453,094	83,926	537,020	347,873
Expenditure on governance	-	13,625	13,625	12,350
	453,094	97,551	550,645	360,223

RECOVERY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

7. EMPLOYEES

The aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	391,844	247,171
Social security costs	35,889	19,929
Pension costs	25,361	17,530
	<u>453,094</u>	<u>284,630</u>

The average monthly number of persons (including trustees) employed during the year was 14 (2022: 10).

The trustees received no remuneration nor were they reimbursed any expenses during the year (2022: £nil).

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the company comprised the Chief Executive and Managing Director of GC Employment. Their total employee benefits were paid by other group companies.

The company operates a defined contribution scheme for employees and the assets of the scheme are held separately from those of the company. The contributions represent the amount payable in the year.

8. NET EXPENDITURE FOR THE YEAR

	2023	2022
	£	£
Net expenditure for the year is stated after charging:		
Auditor's remuneration		
- for audit services	<u>13,585</u>	<u>12,350</u>

9. DEBTORS

	2023	2022
	£	£
Trade debtors	102,385	71,386
Other debtors	1,875	-
Prepayments and accrued income	73,000	10,640
	<u>177,260</u>	<u>82,026</u>

RECOVERY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

10. CREDITORS

	2023	2022
	£	£
Amounts owed to group undertakings	19,063	15,276
Taxation and social security	9,016	5,517
Other creditors	3,457	2,365
Accruals and deferred income	25,575	9,758
	<u>57,111</u>	<u>32,916</u>

11. ANALYSIS OF CHARITABLE FUNDS

Analysis of movement in unrestricted funds

	2023	2022
	£	£
At 1 April 2022	124,828	62,445
Incoming resources	560,822	422,606
Outgoing resources	(550,645)	(360,223)
	<u>135,005</u>	<u>124,828</u>
At 31 March 2023		

Analysis of movement in restricted funds

	2023	2022
	£	£
At 1 April 2022	-	-
Incoming resources	-	-
Outgoing resources	-	-
	<u>-</u>	<u>-</u>
At 31 March 2023	<u>-</u>	<u>-</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
2023			
Debtors	-	177,260	177,260
Cash at bank and in hand	-	14,856	14,856
Creditors due within one year	-	(57,111)	(57,111)
	<u>-</u>	<u>135,005</u>	<u>135,005</u>
Total net assets	<u>-</u>	<u>135,005</u>	<u>135,005</u>
2022			
Debtors	-	82,026	82,026
Cash at bank and in hand	-	75,718	75,718
Creditors due within one year	-	(32,916)	(32,916)
	<u>-</u>	<u>124,828</u>	<u>124,828</u>
Total net assets	<u>-</u>	<u>124,828</u>	<u>124,828</u>

RECOVERY WORKS LIMITED
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For the year ended 31 March 2023

13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net movement in funds	10,177	62,383
(Increase)/ decrease in debtors	(95,234)	132,341
Increase/ (decrease) in creditors	<u>24,195</u>	<u>(194,588)</u>
Net cash (used in)/ generated from operating activities	<u><u>(60,862)</u></u>	<u><u>136</u></u>

14. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company, in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,361 (2022: £17,530). Contributions totalling £3,278 (2022: £2,251) were payable to the fund at the balance sheet date and are included in creditors.

15. MEMBERS' LIABILITY

The company is incorporated as a company limited by guarantee and therefore has no share capital. The liability of the member is limited to £10.

16. RELATED PARTY TRANSACTIONS

During the year, costs incurred, which were paid on behalf of the charity via Skills and Work Solutions Limited, were £139,375 (2022: £150,437). At the balance sheet date, the amount due to Skills and Work Solutions Limited was £19,063 (2022: £15,276). These are related parties by virtue of a common parent company.

During the year, costs incurred, which were paid on behalf of the charity via The Growth Company Limited, the parent company, were £329 (2022: £nil). At the balance sheet date, the amount due to The Growth Company Limited was £nil (2022: £nil).

17. CONTROLLING PARTY

The company's immediate parent company, ultimate parent undertaking and controlling party is The Growth Company Limited (company number 02443911), a company registered in England and Wales, which includes the company in its consolidated financial statements.

Copies of the consolidated financial statements are available from its registered office at Lee House, 90 Great Bridgewater Street, Manchester, M1 5JW.