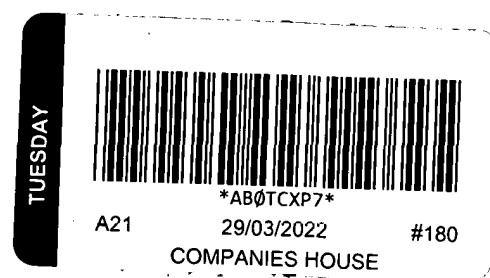


Only Connect UK Report and Unaudited Financial Statements

For the year ended 31 August 2021

Company number: 05848399

Registered charity number: 1116147



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Reference and Administrative Details

Name: Only Connect UK, also using Only Connect

Board of Trustees

Danny Kruger MP, Chair

Emma Kruger

Charlotte Dryer (appointed 25 September 2020)

Omolarah Jonah (appointed 4 April 2021)

Catharine Dawkins (appointed 5 May 2021)

Company Secretary

Simon Pellew

Registered Office

32 Cubitt Street

London

WC1X 0LR

Examiner

Frances Wilde FCCA

www.warnerwilde.co.uk

T: 0207 278 8939

E: info@onlyconnectuk.org

Registered charity no. 1116147

Company limited by guarantee

Company no. 05848399

Board of Trustees' report

1.1 Objectives and Activities & Achievements and Performance

Objectives

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

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

Review of activities

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

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

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

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

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

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

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

Our outcomes are:

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

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

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

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

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

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

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

1.2 Financial Overview

Income and expenditure

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

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

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

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

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

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

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

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

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

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

Reserves policy

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

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

Going concern

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

Funds

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

1.3 Structure, governance and management**Formation and structure of the Charity**

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

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

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

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

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

Governance

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

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

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

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

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

Trustees responsibilities

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

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

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

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

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.
- observe the methods and principles in the Charities SORP;

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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

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

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

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

Policies adopted for the induction and training of trustees

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

Pay policy for senior staff

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

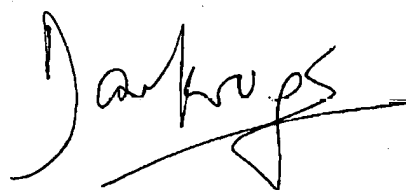
Risk management

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

Key risks:

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

Signed on behalf of the Board of Trustees

A handwritten signature in black ink, appearing to read 'Danny Kruger', with a long horizontal line extending from the end of the signature.

Danny Kruger

Only Connect UK

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

ONLY CONNECT UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ONLY CONNECT UK

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

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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



F J Wilde FCCA MBA DChA

Warner Wilde
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 17 March 2022

ONLY CONNECT UK

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

Current financial year

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

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

All income and expenditure derive from continuing activities.

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

ONLY CONNECT UK

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

FOR THE YEAR ENDED 31 AUGUST 2021

Prior financial year

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

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

All income and expenditure derive from continuing activities.

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

ONLY CONNECT UK

BALANCE SHEET

AS AT 31 AUGUST 2021

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

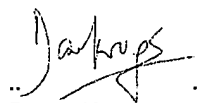
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

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

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

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

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



Danny Kruger
Trustee

Company Registration No. 05848399

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

1.6 Tangible fixed assets

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

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

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

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

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial Instruments

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

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

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

Basic financial assets

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

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.9 Employee benefits

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

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

1.10 Retirement benefits

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

1.11 Leases

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

2 Critical accounting estimates and judgements

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

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

ONLY CONNECT UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and legacies

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

4 Charitable activities

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

5 Other income

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

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

ONLY CONNECT UK

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

6 Raising funds

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

ONLY CONNECT UK

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

7 Charitable activities

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Support costs

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

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

9 Trustees

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

ONLY CONNECT UK

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

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	8	8
	<u>8</u>	<u>8</u>
Employment costs	2021	2020
	£	£
Wages and salaries	248,258	239,966
Social security costs	14,289	21,968
Other pension costs	6,970	7,278
	<u>269,517</u>	<u>269,212</u>

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

11 Tangible fixed assets

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

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

12 Debtors

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

13 Loans and overdrafts

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

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

14 Creditors: amounts falling due within one year

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

15 Creditors: amounts falling due after more than one year

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

ONLY CONNECT UK

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

16 Restricted funds

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

	Movement in funds			Movement in funds			Transfers	Balance at
	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 1 September 2020	Incoming resources	Resources expended		31 August 2021
	£	£	£	£	£	£	£	£
Operations	45,000	15,000	(50,000)	10,000	-	-	-	10,000
Music	-	-	-	-	24,250	(15,842)	(1,608)	6,800
Relationships	-	-	-	-	10,000	(5,755)	(3,000)	1,245
Young People	-	-	-	-	2,500	(2,500)	-	-
Young People (Geog)	-	-	-	-	10,000	(7,713)	(1,500)	787
	<u>45,000</u>	<u>15,000</u>	<u>(50,000)</u>	<u>10,000</u>	<u>46,750</u>	<u>(31,810)</u>	<u>(6,108)</u>	<u>18,832</u>

Operations – our work with prisoners and released prisoners.

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

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

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

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

ONLY CONNECT UK

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

17 Analysis of net assets between funds

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

18 Operating lease commitments

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

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

19 Related party transactions

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

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

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

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

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

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